

## Escrow Agreement

This agreement is entered into by and between \_\_\_\_\_ (hereinafter  
“Escrow Agent”); \_\_\_\_\_ Trustee of \_\_\_\_\_ Trust dated \_\_\_\_\_,  
Executor; \_\_\_\_\_ (hereinafter “Estate”),  
and the United States of America, by and through the Internal Revenue Service  
(hereinafter “IRS”)

### WITNESSETH

1. \_\_\_\_\_ died on \_\_\_\_\_ A lien  
arose on the date of death securing payment of \_\_\_\_\_  
\_\_\_\_\_ federal estate tax liability. The lien attached to all assets included in the gross  
Estate.
2. The Estate Tax Return, Form 706, for the Estate of \_\_\_\_\_  
\_\_\_\_\_ is due, without extension, on \_\_\_\_\_
3. On \_\_\_\_\_, the Estate submitted an application for certificate discharging  
property subject to estate tax lien.
4. That Estate submitted the application to facilitate the desired sale of \_\_\_\_\_,  
\_\_\_\_\_, according to the plat thereof recorded in \_\_\_\_\_  
\_\_\_\_\_ of the current Public Records of \_\_\_\_\_ County,  
Florida. (hereinafter “Subject Property”).
5. That Subject Property is encumbered by an estate tax lien in favor of the IRS.
6. That the parties hereto declare that it is in their best interest that the Subject  
Property described in paragraph number 4 above be sold and that the Sale Proceeds be  
held in accordance with this Agreement.
7. That for purposes of facilitating the sale, upon approval of the application the  
IRS will discharge any lien, claim or interest in the Subject Property in consideration of the  
sale proceeds being held as a fund subject to the liens and claims of the IRS in the same  
manner and with the same priority that IRS liens and claims had with respect to the  
discharged Subject Property.

8. That proceeds from the sale of Subject Property will be paid directly to the Escrow Agent by the purchaser of the property.

9. That Escrow Agent will hold the sale proceeds, in trust, in an interest-bearing account in a federally insured, United States commercial bank, credit union, or savings and loan institution.

10. That the duties and responsibilities of the Escrow Agent will be limited to those expressly set forth herein, to hold the Escrow Fund in trust and disburse funds under the conditions set forth herein. Escrow Agent shall not be liable for any action taken or omitted in good faith and shall be fully protected when relying on any written notice, instruction, demand, certificate or document which it believes to be genuine.

11. That Estate agrees to be liable for all costs and attorney's fees incurred by Escrow Agent arising from or related to this agreement, excepting liability arising from Escrow Agent's own misconduct or negligence.

WHEREFORE, it is mutually agreed and understood by the parties hereto that:

12. That in order for Estate to sell the Subject Property free and clear of the aforementioned estate tax lien, a Certificate Discharging Property Subject to Estate Tax Lien will be provided by the IRS. The proceeds from the sale of the Subject Property ("Sale Proceeds") shall remain subject to the estate tax lien, in the same manner, with the same priority, and with all of the rights the IRS had with respect to the discharged Subject Property.

13. The sale of the Subject Property shall divest the Estate of all right, title and interest in the Subject Property.

14. That Sale Proceeds shall be paid directly to the Escrow Agent by the purchaser of the Subject Property, payment to be made by cashier's check payable to Escrow Agent.

15. That the Escrow Agent shall set aside the Sale Proceeds in a federally insured United States commercial bank, credit union or savings and loan institution of its own choosing, provided the chosen institution is mutually acceptable to the IRS and the Estate, in an account yielding the highest rate of interest insured up to the maximum amount allowable by law. Interest which accrues on the subject account held by the

bank, credit union, or savings and loan institution shall be added to such account and be included in the funds to be finally distributed. The passbook or certificate shall be retained by the Escrow Agent for safekeeping.

16. That Escrow Agent shall pay the reasonable and necessary costs of the sale upon written approval or instruction from the IRS.

17. That Escrow Agent shall distribute to the IRS upon written notification of the amount of the estate tax assessment the lesser of (a) the amount sufficient to satisfy the estate tax liability or (b) the total amount of proceeds being held by the Escrow Agent pursuant to this Agreement.

18. That the IRS retains the right to enforce the estate tax lien by levy or seizure of the Sale Proceeds in the possession of the Escrow Agent at any time. The IRS agrees not to exercise the right to levy or seize the net proceeds and until the following takes place:

- A. A return is received by the IRS or the IRS prepares a substitute return, and
  - a. The return is accepted as filed, or
  - b. An audit has been completed and the final tax has been determined including exhaustion of all administrative appeals, or
  - c. The tax has been determined by a court of competent jurisdiction and all appeals are final or the period to appeal has expired.

19. That the Escrow Agent may not release the Sale Proceeds to the Estate without the express written consent of the IRS.

20. That the Estate has the right to instruct the Escrow Agent to release the Sale Proceeds to the IRS at any time without the need of the express written consent of the IRS.

21. The IRS will issue written instructions directing the escrow agent to release the balance of the funds in the escrow account to the estate after a final determination of the amount of estate tax owed has been made and the tax has been paid.

22. No provision of any purchase contract or escrow instructions regarding the Subject Property may be inconsistent with this Agreement, and any provisions of said purchase contract or escrow instructions which are inconsistent with this agreement shall be of no effect.

23. That the Escrow Agent is a mere trustee of the Sale Proceeds whose duties and obligations are limited to those expressly set forth herein, to hold the Sale Proceeds in trust and disburse funds only under the conditions set forth herein. Escrow Agent shall not be liable for any action taken or omitted in good faith and shall be fully protected when relying on any written notice, instruction, demand, certificate or document which it believes to be genuine.

24. That Estate agrees to be liable for all costs and attorney's fees incurred by Escrow Agent arising from or related to this agreement, excepting liability arising from Escrow Agent's own misconduct or negligence.

25. Escrow Agent shall charge an escrow service fee of [\$ amount or percentage of total] \_\_\_\_\_, which shall be payable by the Estate.

26. Nothing herein waives the statute of limitations for assessment or collection of the estate tax liability of the Estate.

27. That this Agreement shall become effective upon the signature of all the parties whose names appear below.

Estate of \_\_\_\_\_

By: \_\_\_\_\_ Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, Trustee of \_\_\_\_\_ Trust dated \_\_\_\_\_, Executor

Internal Revenue Service

By: \_\_\_\_\_ Dated: \_\_\_\_\_

\_\_\_\_\_

National Advisory Estate Tax Lien Manager

Escrow Agent

By: \_\_\_\_\_ Dated: \_\_\_\_\_

\_\_\_\_\_, Escrow Agent