

# Escrow Agreement

This agreement is entered into by and between \_\_\_\_\_, (hereinafter "Escrow Agent");  
Escrow Agent  
\_\_\_\_\_, Executor, Estate of \_\_\_\_\_  
Executor Decedent  
(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  
Decedent Date of death  
payment of \_\_\_\_\_ federal estate tax liability. The lien attached to all assets  
Decedent's  
included in the gross Estate.
2. The Estate Tax Return, Form 706, for the Estate of \_\_\_\_\_ is due, without  
Decedent  
extension, on \_\_\_\_\_.  
Due date of Form 706
3. On \_\_\_\_\_ the Estate submitted an application for certificate discharging property subject to estate tax lien  
Date  
(hereinafter "Application").
4. That Estate submitted the Application to facilitate the desired sale of \_\_\_\_\_  
Description of asset  
\_\_\_\_\_ (hereinafter "Subject Property"). (An Exhibit A can be attached  
Description of asset  
and referenced here if additional room is needed for the description of asset(s) to be sold).
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 gross proceeds of sale, less the expenses approved by the IRS (hereinafter "Escrow Funds"), be held in escrow in accordance with this Agreement (the "Escrow Funds").
7. That for purposes of facilitating the sale, upon approval of the Application, the signing of the Escrow Agreement (Agreement) and depositing of the Escrow Funds pursuant to this Agreement, the IRS will approve the Application and will discharge any lien, claim or interest in the Subject Property in consideration of the Escrow Funds 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 the Escrow Funds arising from the sale of the Subject Property will be paid directly to the Escrow Agent by the purchaser of the Subject property.
9. That the Escrow Agent will hold the Escrow Funds, in trust, in an interest-bearing account in a mutually agreeable United States institution, including a bank, credit union, investment firm, etc.
10. That the duties and responsibilities of the Escrow Agent will be limited to those expressly set forth herein, to hold the Escrow Funds in trust and disburse funds under the conditions set forth herein.
11. That the Estate agrees to be liable for all IRS approved costs and attorney's fees incurred by the Escrow Agent in administering this Agreement.  
WHEREFORE, it is mutually agreed and understood by the parties hereto that:
12. That in order for the Estate to sell the Subject Property free and clear of the aforementioned federal estate tax lien, a Certificate Discharging Property Subject to Estate Tax Lien will be provided by the IRS under the conditions set forth in this Agreement. The net proceeds from the sale of the Subject Property ("Escrow Funds") 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. The Escrow Funds shall be paid directly to the Escrow Agent by the purchaser of the Subject Property, payment to be made by cashier's check payable, or wire transfer to the Escrow Agent.
15. That the Escrow Agent shall deposit the Escrow Funds in a mutually agreeable United States financial institution, including a bank, credit union, investment firm, etc. All interest which accrues on the subject account held by the financial institution shall be added to such account, become part of the Escrow Fund and be included in the funds to be finally distributed.
16. By the end of the first week of each calendar-year quarter (first week in January, April, July, and October), the Escrow Agent will mail the IRS and Estate signatories to this Agreement with the most recent quarterly account statement(s) for the amount held in escrow under this agreement.

