

ESCROW AGREEMENT

THIS AGREEMENT (the "Escrow Agreement") is made as of the ____ day of _____, 20__, by and among:

_____, having an office at _____, New York ("Seller"); and

_____, having an office at _____, New York ("Buyer"); and

Whereas, the Seller and the Buyer are parties to an Assets Purchase Agreement, dated _____, 20__ ("Purchase Agreement"); and

Whereas, the Purchase Agreement provides for the escrow of a portion of the purchase price; and

Whereas, the parties wish to establish and maintain this escrow in accordance with the terms and provisions of this Escrow Agreement;

NOW, THEREFORE, the parties agree:

1. *Purpose.* This Escrow Agreement provides for the escrow of \$_____ under the Purchase Agreement, as a source for payment in the event of a claim by Buyer for indemnification under Section ____ of the Purchase Agreement. Subject to the terms of this Escrow Agreement, the parties establish this escrow to insure the Seller's compliance with the terms, provisions and conditions of their indemnification agreement under the terms of the Purchase Agreement.

2. *Establishment of Escrow Fund.* Seller has deposited with the Escrow Agent the sum of \$_____, as set forth in Schedule A annexed, on the date of this Escrow Agreement. This shall constitute and be referred to as the Escrow Fund.

3. *Receipt.* The Escrow Agent shall issue appropriate written acknowledgments of the receipt of the Escrow Fund.

4. *Disposition of the Escrow Fund.*

a. *Release.* The Escrow Agent shall hold the Escrow Fund until _____, 20__ when the Escrow Agent shall release one-half of the Escrow Fund to the Seller. The balance of the Escrow Fund shall be released by the Escrow Agent to the Seller on _____, 20__.

b. *Default.* During the term of this Escrow Agreement, if the Seller defaults in the payment of a claim for indemnification, the Escrow Agent shall transfer and pay over to the Buyer from the Escrow Fund, up to the entire amount of the Escrow Fund, the total amount of the claim. The nature, extent and validity of Buyer's claim for indemnification shall be determined under and governed by the terms, conditions and provisions of the Purchase Agreement, which is incorporated in this Escrow Agreement by reference.