

BELIZE

## INCORPORATED ESCROW TERMS

Agreed to be binding upon the **Sender of funds/Purchaser**, the eventual **Recipient of funds/Vendor**, the **Brokers** involved

and

**Mikhail Arguelles & Associates** of 35 New Road, Belize City.

(hereinafter called “the **Escrow Agent**”)

All aforesaid, jointly referred to as “**The Parties**”

and includes where applicable, if a company is party, then its directors, officers, shareholders or beneficial owners and controllers.

Regarding that real estate transaction that Mikhail Arguelles & Associates has been retained to undertake as per fee estimate connected to these terms.

**THESE ESCROW TERMS CONDITIONS (“TERMS”)** are agreed to by the conduct of the Parties:

### **RECITALS:**

**WHEREAS**, the Vendor and the Purchaser have entered into a Purchase Agreement, (the “**Purchase Agreement**”), pursuant to which and upon certain conditions being met the Vendor shall sell (or cause to be sold) and transfer the Property as defined therein and in the Purchase Agreement to the Purchaser;

**WHEREAS**, pursuant to the Purchase Agreement, and for the purpose of effecting payment of the Purchase Price as defined in the Purchase Agreement and referred to interchangeably (inclusive of certain installments making up the total sum) as “escrow or escrowed amount” hereunder), the Parties have agreed for the Purchase Price to be credited to the Escrow Agent’s control which is to be operated in accordance herein;

**WHEREAS**, pursuant to the Purchase Agreement, and for the purpose of transferring the Property, the Parties have agreed for initial deposits but not installments of Purchase Price together with documentary paperwork for transfer of ownership, to be transferred to the Escrow Agent each to be released thereafter in accordance with these terms;

**NOW, THEREFORE**, in consideration of the premises, conduct and mutual agreements herein, the Parties hereto do hereby agree as follows:

### **1. DEFINITIONS**

The following words and expressions shall have the following meanings unless the context requires otherwise:

**“Completion of the Purchase”** means the receipt by the Escrow Agent of a signed copy of applicable Ministry of Natural Resources, Government of Belize, Lands or Companies Registry certified copies of filing receipts.

**“Dollars”** and **“US\$”** mean the lawful currency of the United States of America, from time to time;

**“Escrow Account”** means US\$ non-interest bearing account at the Escrow Agent’s bank, the details of which have been provided by the Escrow Agent and subject to disclaimer regarding said bank in all Escrow Agent’s email signature;

**“Escrow(ed) Amount”** means the certain agreed deposits of the Purchase Price payable by the Purchaser under the Purchase Agreement;

**“Funds Availability Notice”** has the meaning given to it in Clause 2;

**“Real Estate”** means the property as further described in the Purchase Agreement;

**“Vendor Account”** means the account of the Vendor, the details of which shall be provided by the Vendor by written notice to the Escrow Agent;

**“Purchase Agreement”** has the meaning given to it in the Recitals;

**“Instrument(s) of Transfer”** means the document(s) required to be executed by the Vendor as contemplated under the Purchase Agreement authorizing the transfer of the Real Estate (or the Company control and ownership) from the Vendor to the Purchaser .

## **2. ESTABLISHMENT OF ESCROW**

2.1 Each of the Vendor and the Purchaser hereby appoint the Escrow Agent as escrow agent for the purposes set out herein, and the Escrow Agent hereby accepts such appointment on the terms set out herein. If Escrow Agent had initially commenced representation as attorney for one side, that side hereby accepts that the responsibility shifts from attorney to escrow agent for both sides in order to complete the transaction. All parties may also agree to pay for a separate escrow attorney at any stage.

2.2 As per Purchase Agreement, the following shall occur unless otherwise agreed by the Parties to be followed by the other steps set out below:

- (i) the Purchaser shall cause the initial sum/deposit to be wired to The Escrow Agent who has notified or will notify the other side/broker (the “Funds Availability Notice”) acknowledging receipt of the Escrow Amount by the Escrow Agent.
- (ii) If applicable, prior to expiration of timelines set out in the Purchase Agreement, the Purchaser shall cause each of the said installment sums/balance plus interest if applicable to be wired as per Agreement.
- (iii) The Vendor and the Purchaser acknowledge and agree that the Escrow Agent shall account for and then release as he sees fit and or in accordance with the terms and conditions of the Purchase Agreement specifically, on its receipt of

all signed land transfer, company transfer, IDs and other satisfactory items or documentation to be escrowed. The Vendors undertake to provide in the future any other item needed to consummate the transaction that is omitted at this time or that may be a new requirement in the future.

### **3. RELEASE OF ESCROW AMOUNT & DOCUMENTS**

- 3.1 The Escrow Agent shall release funds as he sees fit, as directed by the Vendor's Broker, or by Vendor.
- 3.2 The Escrow Agent shall release all documentary items to the Purchaser and or its lawyer and or file at applicable registry as per usual industry practice.
- 3.3 Should the transaction not proceed financially as planned, the Escrow Agent may release documents to Broker for onward transmission to his client for re-negotiation and the same shall apply to funds.

### **4. DUTIES OF ESCROW AGENT**

- 4.1 The duties of the Escrow Agent are as inter alia herein specifically provided, being a fiduciary duty and the Escrow Agent may be liable for misconduct or negligence. The Escrow Agent shall act in good faith, with time being of the essence, and in accord with industry standards always erring on the side of caution and safety, and pursuant to these terms and shall verify if suspicious, any instructions they may see fit to query with its attendant delays with no liability accrued to either Party or Escrow Agent.
- 4.2 The Escrow Agent shall not invest the Escrow Amount and shall have express power to retain the Escrow Amount in its existing condition in the Escrow Account.
- 4.3 The Escrow Agent may adjust or change these terms as the case may be for business efficacy but never to adversely affect a party without their written agreement.

### **5. FEES OF ESCROW AGENT**

The Parties hereto agree that the fees of the Escrow Agent for provision of the services contemplated herein shall be as per invoice sent to the relevant party/broker.

### **6. REPRESENTATIONS AND WARRANTIES**

- 6.1 The Escrow Agent hereby represents and warrants to each of the Vendor and the Purchaser that (i) it is duly organized, licensed and in good standing, (ii) it has the power and authority to perform its obligations herein, (iii) these terms constitute a valid and binding obligation, (iv) any consent, authorization or instruction required in connection with its execution and performance herein has been provided by any relevant third party (including but not limited to governmental bodies, agencies, regulators or semi/quasi-autonomous/judicial bodies/entities), (v) any act required by any relevant governmental or other authority to be done in

connection with its execution and performance of these terms has been or will be done (and will be renewed if necessary), (vi) its performance herein will not violate any law, its constitutional documents or any contract to which it is a party, and (vii) it has undertaken escrow engagements previously and has not been sued or taken to arbitration regarding any escrow service or arrangement in any country or court to date.

## **7. TAXES/CHARGES**

There are no taxes, charges, deductions, and/or withholdings accruing to the Escrow Agent by virtue of these terms and as such, the escrowed amount shall be paid (to applicable party as the case may be) free and clear of all deductions or subtractions, taxes or withholdings subtracting each time only, a bank fee of 100.00 USD per wire.

## **8. LITIGATION OR DISPUTE**

In the event that the Escrow Agent becomes involved in litigation, interpleader or otherwise, or a dispute by reason hereof, it is hereby authorized to elect at its option, to deposit the escrowed Amount (or installments it may then hold if applicable) with the Registrar of the Belize Supreme Court in USD as far as is possible (if not then in BZDD at the Central Bank of Belize frate then in effect) and thereafter it shall stand fully relieved and discharged of any further duties hereunder with reference to these terms and the Purchase Agreement. It may also commence or join any interpleader proceedings for the Belize High Court to determine any controversy for which no claim for loss, opportunity cost, or other damages resulting from delay may arise and for which any cost shall be deducted from the escrowed sum or part thereof or be payable by Escrow Agent.

## **9. DISCHARGE AND TERMINATION**

- 9.1 This arrangement shall automatically terminate in the event of non payment, and or when title (or shares) has been transferred to Purchaser or his nominee (and with corresponding release of funds to the relevant party less commissions).
- 9.2 Notwithstanding any of the foregoing, the Purchaser and Vendor may mutually decide amicably in writing to terminate (or vary/extend) this arrangement at any time subject to possible adjustment of escrow fee. In such case, the Purchaser and Vendor shall take the necessary steps to jointly notify the Escrow Agent in writing of such termination, and following receipt of such notification the Escrow Agent shall adjust itself accordingly.

## **10. GOVERNING LAW AND JURISDICTION**

- 10.1 The terms herein and the rights and obligations of the Parties hereunder shall be construed in accordance with the laws of Belize.

## **11. RESIGNATION OF THE ESCROW AGENT**

The Escrow Agent may resign hereunder without the prior written consent of the Vendor and the Purchaser for any reason including that the Escrow Agent is unable to continue performing its duties hereunder due to a valid demand of any competent authority, any change in applicable law or withdrawal of any licence, permission or

authorisation which is required for the Escrow Agent to carry out on its business and the duties hereunder or for Broker or a Party's misunderstanding of the process or terms or for their continuous unwarranted/premature demand. In the event of resignation, the Escrow Agent shall be discharged of its duties hereunder upon such resignation, provided that, to the extent not already done, the Escrow Agent shall have released the Escrow Amount, paid it over to a third party escrow agent mutually agreed to by the Vendor and Purchaser in USD, following which this arrangement as far as the Escrow Agent shall automatically terminate.

## **12. SUCCESSORS AND ASSIGNS**

These terms shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs and successors. No rights, interests or obligations hereunder shall be sold, pledged encumbered transferred, assigned or disposed of in whole or in part by any of the Parties without the prior written consent of each of the Parties. Any assignment without consent shall be null and void.

## **13. NOTICES**

- 13.1 Any notice, consent or other communication to be given by one Party to any other Party under, or in connection with, these terms shall be in writing and signed by or on behalf of the Party giving it and must be copied to all the other parties. It shall be served by sending it by via scanned copy emailed to the email in use throughout the deal and shall be deemed to have been duly given at the time of transmission and receipt of email.
- 13.2 A Party may notify any other Party of a change to its name, relevant addressee, for the purposes of this Clause 13, provided that, such notice shall only be effective on:
- (i) the date specified in the notice as the date on which the change is to take place; or
  - (ii) 1 day after proof of receipt of notice if by email or other electronic communication.

## **14. EFFECTIVENESS**

These terms shall become automatically effective on the date of either Party's usage of the Escrow Agent's bank account/details. Any mistake in the triggering of these terms may be undone by a simple request in writing to return funds before other acts are done by other of the parties and with deduction of bank wire fees and time spent.

## **15. REQUIREMENT OF WRITING**

No term may be waived, amended, altered, superseded or modified except by a writing signed by the duly authorized representatives of ALL the Parties.

## **16. THIRD PARTIES & BANK DETAILS**

- 16.1 Any party wishing to send money from a third party, must provide beforehand, due diligence details otherwise the funds may be rejected by Escrow Agent's

bank or Escrow Agent directly. Escrow Agent is bound by AML and FIU requirements and unauthorized deposit may be subject of STRs. Neither Party (or if applicable, any of its directors, officers, shareholders or beneficial owners and controllers) are or have ever been listed on The Office of Foreign Assets Control (“OFAC”) of the U.S. Treasury Department Specially Designated Nationals and Blocked Persons list and are not persons with whom transaction is prohibited by the U.S.A. Patriots Act, the Trading with Enemy Act or the foreign asset control regulations of the United States Treasury Department or listed in any UN, EU or Belize sanctions list.

16.2 The Escrow Agent may ask for any bank info it needs to wire money to any party and from any party which must not be refused. It will wire direct from USA bank to USA bank and any other country or bank details that contain correspondent or other money manager or financial broker/intermediaries may compel at the recipient’s cost, a test wire with no claim for delay or extra costs against the Escrow Agent.

ALL OF THE FOREGOING CONSTITUTES LEGAL OBLIGATIONS AND RAMIFICATIONS IN TIME AND MONEY AND EXPENSE AND SHOULD BE VETTED AND REVIEWED BY ALL THE PARTIES’ OR THEIR ATTORNEYS BEFOREHAND.