

**MONROE MUNICIPAL UTILITIES AUTHORITY
ESCROW AGREEMENT**

THIS AGREEMENT made this ____ day of _____, 20__ between _____ applicant for Block _____, Lot _____ more specifically known as the _____ project (hereinafter referred to as "Applicant") and the MONROE MUNICIPAL UTILITIES AUTHORITY, (hereinafter referred to as "MMUA").

WHEREAS, Sections 6 of the MMUA's Rules and Regulations requires the Applicant to establish an escrow whereby work required to be performed by professionals employed by the MMUA will be paid for by the Applicant as required under the provisions of the MMUA's Rules and Regulations cited above, and

WHEREAS, an Escrow Agreement is specifically authorized under said MMUA's Rules and Regulations, and

WHEREAS, both parties feel that it is appropriate to reduce this understanding to written form.

W I T N E S S E T H

IT IS mutually agreed by and between the parties herein that:

Section 1. PURPOSE

The MMUA authorizes its professional and administrative staff to review, inspect, report and study all plans, documents, statements, improvements, and provisions made by the APPLICANT. The MMUA directs its professional staff and administrative staff to make all oral and/or written reports/communications to the MMUA of its conclusions and findings derived from the review, study, investigation and like or similar duties performed as elsewhere authorized, including professional time allocated to such application at the MMUA's regular and special meetings. The APPLICANT agrees to pay all professional and administrative fees incurred by the MMUA for the performance of the duties outlined above.

Section 2. ESCROW ESTABLISHED

In the event the escrow fund to be established is for an amount which is \$5,000 or less, the APPLICANT and MMUA, in accordance with the provisions of this Agreement and Sections 6 and of the MMUA's Rules and Regulations, hereby agree to create and establish the escrow with the designated Financial Officer of the MMUA.

A. In the event the escrow fund to be established is for an amount which exceeds \$5,000, the APPLICANT AND MMUA, in accordance with the provisions of this Agreement, Sections 6 of the MMUA Rules and Regulations and N.J.S.A. 40:14B-20.1, hereby agree to create and establish the escrow as follows:

- (1) The MMUA shall deposit the escrow fund in a banking Institution or savings and loan association in the State of New Jersey insured by an agency of the Federal Government, or in any other fund or depository approved for such deposits by the State of New Jersey, in an account bearing interest at a minimum at the rate currently paid the institution or depository on time or savings deposits;
- (2) The MMUA shall notify the APPLICANT in writing of the name and address of the institution or depository in which the deposit is made and the amount of the deposit;
- (3) The MMUA shall not be required to refund an amount of interest paid on a deposit which does not exceed \$100.00 for the year. If the amount of interest exceeds \$100.00, that entire amount shall belong to the person and shall be refunded to him, her or it by the MMUA annually or at the time the deposit is repaid or applied to the purposes for which it was deposited, as the case may be;

except that the MMUA may retain for administrative expenses a sum equivalent to no more than 33 1/3% of that entire amount, which shall be in lieu of all other administrative and custodial expenses.

Section 3. ESCROW FUNDED

Applicant by execution of this Agreement, shall pay to the MMUA, to be deposited as described in Section 2, such sums as are required by the MMUA's Rules and Regulations and each and for every Agreement entered into by the parties.

Section 4. INCREASE IN ESCROW FUND

If during the existence of this Escrow Agreement the funds held by the escrow holder shall be insufficient to cover any voucher or bill submitted by the professional staff and reviewed and approved by the MMUA, then the APPLICANT shall, within fourteen (14) days from the date of receipt of written notice by the MMUA, deposit additional sum, as per request of the escrow holder to cover the amount of the deficit. The written notice referred to in this paragraph shall be sent to APPLICANT unless otherwise shown, receipt shall be presumed to have occurred three (3) days after mailing.

Section 5. BOARD OF REVIEW

The designated Financial Officer of the MMUA shall review the vouchers submitted by the professionals to determine whether the services have been performed in the manner and to the degree required by this Agreement. Upon making a determination that said services have been performed properly, said official shall process said vouchers in the same manner and under the same terms as are normally employed for vouchers submitted for work performed on behalf of the MMUA. At the conclusion of this processing, the amounts specified in said vouchers shall

be deducted by the escrow holder from the escrow established pursuant to this Agreement and MMUA's Rules and Regulations.

Section 6. CONTEST OF REASONABLENESS

APPLICANT agrees that the reasonableness of any fee or charge may be challenged by an appropriate legal action brought within forty-five (45) days from the date that the APPLICANT'S escrow deposit balance is returned or forty-five (45) days from the date the developer receives notice that additional payments are requested to pay charges and fees not covered by the escrow deposits.

Applicant understands and agrees that the aforesaid procedure shall be the sole and exclusive method of challenging the reasonableness of charges and fees and hereby waives any longer statute of limitations.

Section 7. COLLECTION

Should the Applicant fail to pay any sum required to be paid hereunder when due, the MMUA shall be entitled to pursue all remedies at law or equity.

Section 8. INTEREST ALLOCATIONS

Any and all interest which would result from or arise out of the deposits being made and held in escrow by the APPLICANT shall revert to the use and enjoyment of the escrow holder as compensation for the services rendered in connection with this Escrow Agreement, unless otherwise specified in Section 2 pertaining to the escrow funds exceeding \$5,000.00.

Section 9. GUARANTEE

In the event that the applicant fails to comply with all of the terms and conditions of this Agreement, the MMUA is authorized to pursue all of the remedies against the guarantors to this Agreement as if the guarantors were, in fact, the applicant.

The guarantors agree to be bound by all of the terms and conditions of the Agreement. The guarantors further agree to provide to the MMUA, at its discretion, sufficient financial information to assure the MMUA that the guarantors can satisfy the financial obligations of the applicant should they be in default. The guarantors shall be the financial obligations of the applicant should they be in default. The guarantors shall be the principals, partners or corporate officers, as well as the spouses of the applicant, or such other parties as the MMUA deems appropriate.

Section 10. TRANSFER OF FUNDS

In the event the applicant transfers ownership to another party during the project the escrow account stays. The MMUA will not reimburse the old applicant with the balance in the escrow account. The same escrow account will stay in effect for the entire project.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the date first written above.

PRINT OR TYPE NAME

SIGNATURE OF APPLICANT

WITNESS: _____

ADDRESS: _____

MONROE MUNICIPAL UTILITIES AUTHORITY

BY: _____ WITNESS: _____