



CITY OF RICHFIELD
Housing Maintenance Code Cash
Escrow Agreement
(Rev. 1/8/2024)

Policy: A cash escrow will be required in instances where a Certificate of Compliance is sought, the Seller will not complete repairs by the time of closing, and the Buyer intends to comply at a future time in cooperation with the Community Development Director or designee.

CASH ESCROW REGULATIONS

1. A signed escrow agreement and funds must be provided to the Community Development Department prior to closing.
2. The cash escrow amount will be determined as follows:
 - In order to reasonably determine the estimated cost of repairs, a written **ITEMIZED** bid by a licensed contractor must be submitted to the Community Development Department for approval.
 - If any certifications are required, contractor must bid **REPLACEMENT COST** of the item needing certification.
 - A cash escrow equal to 25% of the itemized bid or \$1,000, whichever is greater, shall be required (except as below).
 - For non-certification-required work, a \$5,000 escrow may be accepted in place of an itemized bid, with the approval of the Community Development Director or designee.
3. If electrical or mechanical certifications are required, **no one shall occupy premises** until certifications are completed and proper paperwork is submitted to and approved by the Community Development Department.
4. By signing this agreement, Buyers are petitioning the City to allow the purchase and occupancy of the property despite the existence of the violations set forth on the attached list (unless occupancy is prohibited per regulation #3).
5. Correction orders must be made within 60 days of the date of closing, unless an extension is granted by the Community Development Director or designee.
6. Unauthorized changes to this escrow form are not acceptable and will void this agreement.
7. Cash escrow agreement is not valid unless signed by the Buyer and Community Development Director or designee.
8. This agreement is non-transferable. Buyers who fail to complete the Repairs (as defined in the escrow agreement), fail to complete the Reinspection (as also defined in the escrow agreement), or who transfer ownership prior to the completion of the Repairs shall forfeit all escrow funds to the City.

Cash Escrow Agreement Housing Maintenance Code

I/We _____, (Buyer) the Buyer of property located at _____ in Richfield, Minnesota, do hereby tender a cash escrow to the City of Richfield in the amount of \$_____ (the "Cash Escrow") for the attached *Detailed List of Items Requiring Correction* (the "Repairs") and an additional \$100.00 non-refundable fee. The Cash Escrow amount represents 25% of the amount that the parties (Buyer, City of Richfield) agree is required to complete the Repairs or \$1,000, whichever is greater.

The City of Richfield shall deposit the Cash Escrow in a non-interest bearing account; and no interest shall be due and payable to the Buyer as a result.

In signing this cash escrow agreement the Buyer does hereby agree to correct all violations and discrepancies described as the Repairs by the scheduled reinspection date noted below. An inspection of the property must be conducted by the Building Official or designee to verify acceptable completion (the "Reinspection").

Your reinspection must be scheduled within 60 days of closing.

The City of Richfield will release the Cash Escrow upon acceptable completion of the Repairs. Upon verification of completion, the escrowed amount will be released to **THE BUYER - NO EXCEPTIONS** - within ten (10) business days.

The Buyer understands that the failure to comply with the terms of this agreement, including the failure to make the Repairs or participate in the Reinspection, can result in any or all of the following:

- Forfeiture of all or a portion of the Cash Escrow to the City;
- Failure to comply is a violation of the City Code and can be punished as a misdemeanor, including fines and incarceration; and
- Compliance may be compelled by order of the Court.

Any administrative costs involved with enforcing this agreement or any costs incurred by the City of Richfield in excess of the Cash Escrow will be paid by the Buyer within 30 days following written notice of such costs.

_____ DOB _____ Date: _____
Property Buyer(s)

Daytime Phone Number for Buyer _____

Email for Buyer _____

Receipt of the cash escrow is acknowledged as intent to comply with the housing maintenance code.

_____ Date: _____
Community Development Director or Designee