

EARNEST MONEY DISBURSEMENT AND MUTUAL RELEASE



1 **PROPERTY ADDRESS:** _____
2 **BUYER NAME(s):** _____
3 **SELLER NAME(s):** _____
4 **BINDING CONTRACT DATE:** _____
5 **EARNEST MONEY AMOUNT (Total):** _____
6 **HOLDER OF EARNEST MONEY:** _____

7 **According to TREC Rule 1260-2-.09, a broker must disburse earnest money in one of the following ways:**

- 8 (5)(a) upon a reasonable interpretation of the contract which authorizes him to hold such funds;
9 (b) upon securing a written agreement [such as this] which is signed by all parties having an interest in such
10 funds, and is separate from the contract which authorizes him to hold such funds;
11 (c) at the closing of the transaction;
12 (d) upon the rejection of an offer to purchase, sell, rent, lease, exchange, or option real estate;
13 (e) upon the withdrawal of an offer not yet accepted to purchase, sell, rent, lease, exchange or option real estate.
14 (f) upon filing an interpleader action in a court of competent jurisdiction; or
15 (g) upon the order of a court of competent jurisdiction.
16 (6) Funds in escrow or trustee accounts shall be disbursed in a proper manner without unreasonable delay.
17 (Authority: T.C.A. §62-13-203)

18 In consideration of each releasing the others, the Buyer and Seller agree to cancel the *Purchase and Sale*
19 *Agreement* for the Property identified above, and to release all parties from all terms and conditions of the
20 *Purchase and Sale Agreement*. Buyer and Seller agree to release all parties, including any heirs, successors,
21 executors, administrators, assigns, and real estate licensees from all claims of every kind, nature and
22 character arising from or connected with the *Purchase and Sale Agreement*.

23 **It is agreed that the Earnest Money is to be disbursed as follows:**

24 **Amount:** \$ _____
25 **Payable to:** _____
26 **Mailing Address:** _____

27 Other: _____
28 _____
29 _____
30 _____

31 This is an important legal document. If you have questions about it, you should review it with your attorney.
32 The real estate brokers and licensees are not authorized or qualified to give you any advice about the
33 advisability or legal effect of this document.

34 **X** _____ **X** _____
Buyer Signature *Date & Time* *Buyer Signature* *Date & Time*

35 **X** _____ **X** _____
Seller Signature *Date & Time* *Seller Signature* *Date & Time*