

SEPTIC SYSTEM REPLACEMENT ESCROW HOLDBACK AGREEMENT

Date: [Date]

Property Address: [Full Property Address]

Seller(s): [Seller Names]

Buyer(s): [Buyer Names]

Escrow Agent: [Name of Title Company/Attorney]

This agreement confirms that a portion of the Seller's proceeds from the sale of the above-referenced property shall be held in escrow to ensure the completion of a full septic system replacement.

1. Escrow Amount: The sum of \$[Dollar Amount] (the "Escrow Funds") shall be withheld from the Seller's proceeds at the time of closing. This amount represents 150% of the estimated cost of replacement, as per the bid provided by [Contractor Name].

2. Work Description: The funds are dedicated to the removal of the existing non-compliant septic system and the installation of a new system that meets all local and state health department requirements.

3. Completion Deadline: All work, including final inspections and landscaping restoration, must be completed no later than [Date].

4. Disbursement of Funds: The Escrow Agent is authorized to release payment directly to the licensed contractor upon receipt of the following:

- Final invoice from the contractor.
- Certificate of Completion/Final Approval from the [County/City] Health Department.
- Signed lien waivers from the contractor and any subcontractors.

5. Remaining Balance: Any funds remaining in the escrow account after the contractor has been paid in full and all inspections have passed shall be refunded to the Seller within [Number] days.

6. Default: If the work is not completed by the deadline specified in Section 3, the Buyer may, at their discretion, use the Escrow Funds to complete the project. Any costs exceeding the Escrow Funds shall remain the responsibility of the Seller.

Signatures:

Seller Signature / Date

Buyer Signature / Date

Escrow Agent Signature / Date