

Date: [Insert Date]

Property Address: [Insert Property Address]

Escrow Number: [Insert Escrow Number]

Seller(s): [Insert Seller Names]

Buyer(s): [Insert Buyer Names]

Escrow Holdback Tax Proration Acknowledgment

This agreement serves as a formal acknowledgment between the Buyer and Seller regarding the property tax proration and escrow holdback for the above-referenced property.

- 1. Holdback Amount:** The parties agree that the Escrow Agent shall hold the sum of \$[Insert Amount] (the "Holdback Funds") from the Seller's proceeds at the time of closing.
- 2. Purpose:** The Holdback Funds are reserved to cover the Seller's portion of real estate taxes for the period of [Insert Date Range], which have been assessed but are not yet due or finalized at the time of closing.
- 3. Final Proration:** Once the actual tax bill is released by the taxing authority, the Buyer and Seller agree to re-prorate the taxes based on the actual figures.
 - If the actual taxes are higher than the estimated amount, the Seller shall pay the difference.
 - If the actual taxes are lower than the estimated amount, the surplus from the Holdback Funds shall be returned to the Seller.
- 4. Disbursement:** The Escrow Agent is authorized to disburse the funds to the appropriate taxing authority or to reimburse the Buyer upon receipt of the final tax bill. Any remaining balance shall be released to the Seller.
- 5. Release of Liability:** Upon disbursement of the Holdback Funds in accordance with these terms, the Escrow Agent shall be released from further liability regarding this matter.

By signing below, both parties acknowledge and agree to these terms.

Seller Signature: _____ **Date:** _____

Buyer Signature: _____ **Date:** _____

Escrow Agent Signature: _____ **Date:** _____