



SEWAGE DISPOSAL SYSTEM INSPECTION ESCROW AGREEMENT

SELLER: _____

BUYER: _____

PREMISES: _____

Town of _____, County _____, State _____,

THE DATE OF CONTRACT: _____

WHEREAS, the parties' above-noted Contract is contingent upon a satisfactory test of the sewage disposal system, and

WHEREAS, the house now being vacant and/or due to weather conditions, it is not possible to have the Sewage disposal system tested prior to closing.

NOW, THEREFORE, for good and valuable consideration by each to the other paid, the receipt and adequacy of which is hereby acknowledged, the undersigned Seller and Buyer agree as follows:

1. At closing Seller will escrow the sum of \$ _____ with an Escrow Agent (the Buyer's Attorney, Seller's Attorney or such third party as said attorneys shall designate), which amount will be held in a non-interest bearing account.
2. Upon closing Buyer will take occupancy within _____ days of closing and will arrange for a sewage disposal system test to be performed (by the applicable County Health Department or a private testing company) within sixty-five (65) days after occupancy, showing the system complies with applicable Health Department Standards. The (Buyer, Seller) shall pay for such test. (If weather and/or ground conditions preclude testing by said deadline, the test shall be completed after thawing of the ground in the spring, i.e. no later than the coming April 30).
3. Should the sewage disposal system or any part thereof fail such inspection, Buyer then immediately will take such steps as shall be necessary to put the system into full compliance with then current health department standards. Buyer shall assume the full responsibility of coordinating with contractor(s), the County, the Town and any other person or companies relating to the matter. Written work orders will be obtained by Buyer for all phases of the work needed to put the system into full compliance with then current health department standards (even to the complete replacement thereof), including regrading of the ground and reseeding the lawn (if any there be), and copies thereof shall be provided to the Seller, the Escrow Agent and the parties' attorneys. (After reviewing such estimates, should the Seller desire to obtain Seller's own estimates to do all of such work, Seller shall have the right to do so provided, however, that Seller immediately indicates the intent to do so and that Seller then submits estimates for all of such work to the Escrow Agent within ten (10) days from Seller's receipt of the estimates obtained by the Buyer).

4. All estimates must be from contractors approved by the applicable health department of the county in which the property is located.
5. The Escrow Agent will then authorize the corrective or replacement work to be completed as soon as possible, based upon the estimates obtained by the Buyer (should the Seller choose not to obtain any estimates), or, if two sets of estimates are submitted by the parties, by choosing between them. (Completing the necessary work at the least possible expense will be the Escrow Agent's sole criteria.)
6. After completion of such corrective or replacement work and receipt of documentation confirming same, the Escrow Agent will immediately (a) pay all of the invoices for the work done and (b) refund to Seller the balance, if any, then remaining in the escrow account
7. The parties anticipate implementing this agreement at closing without any participation on the part of the Buyer's lender. Should that lender require escrow of a greater sum (sometimes up to 150% of the projected maximum expense) than is provided for herein, Seller will escrow the greater amount and this agreement will be so amended and initialed by the parties at closing to reflect that greater amount.
8. The Seller's responsibility will be limited to the \$_____ escrowed (or to such greater amount as shall be mandated by the Lender as hereinabove described). Any repair or replacement costs exceeding the amount escrowed will be the responsibility of the Buyer.

IN WITNESS WHEREOF, the parties hereto have signed this agreement as of the date hereinabove indicated.

Buyer	Date	Seller	Date
Buyer	Date	Seller	Date

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