

**ESCROW ORDER FORM INSTRUCTIONS
NORTH AMERICAN CONSTRUCTION SERVICES, INC.
1710 NORTH DOUGLAS DRIVE, SUITE#109
GOLDEN VALLEY, MINNESOTA 55422
800-936-6227
763-546-1822 (FAX)**

GETTING STARTED:

1. Attached, please find an escrow order form. This form needs to be completed in its entirety. Please read the form and make sure that all of the conditions of the underwriting approval with regards to escrow are contained within the escrow order form.
2. We need to get a copy of the contract or award letter to prepare the Escrow Agreement.
3. A copy of the General Indemnity Agreement or General Agreement of Indemnity.
4. Please review the Escrow Order form, specifically Special Conditions. If necessary, attach a separate sheet of paper explaining the conditions or any additional conditions not listed on this form.
5. When the above items 1 through 4 are complete and the Escrow Order form is signed, you may fax the information to 763-546-1822 or e-mail to mpecard@nacsescrow.com.

PROCEDURES UPON RECEIPT OF ESCROW ORDER FORM BY NACS:

1. NACS receives the items in Getting Started.
2. NACS sets up the Escrow Agreement per the Escrow Order Form.
3. NACS sets up the Escrow Account with the Bank.
4. Contractor receives the Escrow Agreement and the documents are completed, signed by all the parties including owner(s) and the obligee on the Exhibit 1 document found within the escrow agreement and returned to NACS at 1710 North Douglas Drive, Suite #109, Golden Valley, Minnesota 55416. To expedite the process a signed and copy of all documents can be scanned and emailed to mpecard@nacsescrow.com.

5. Included in the return package is a check made payable to North American Construction Services in the amount of \$250.00 to set up and remain in the escrow account. This amount remains in the account to keep it open and ready to receive future payments.
6. Once NACS receives and signs the escrow agreement, NACS will then forward to the bank an original copy of the agreement for signature and any other items requested by the bank.
7. Contractor is responsible for reading and complying with the escrow agreement and will provide requested information related to the Job Cost Breakdown, and any other forms requested by NACS.

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Contractor Information:

- 1. Contractor (Principal): _____
- 2. Contractor Address: _____
- 3. Contractor E-Mail Address: _____
- 4. Contractor Account Signor: *(Full Legal Name)* _____
- 5. Contractor Phone Number: _____
- 6. Contractor Fax Number: _____
- 7. Contractor Mobile Number: _____
- 8. Contractor Tax ID Number: _____
- 9. Contractor Payroll Procedure: (Choose One)
Professional Payroll Service (What Company?) _____
or
In House Payroll _____
- 10. Is this Contractor Union ___ or Non-Union ___

Project/Obligee Information:

- 10. Obligee Name (Owner (*Supplier of project funds*)): _____
- 11. Obligee Address: _____
- 12. Obligee E-Mail Address: _____
- 13. Contact Person for the Obligee: _____
- 14. Obligee Telephone Number: _____
- 15. Job Description (Please attach copy of Contract)
- 16. Contract Amount:
\$ _____
- 17. Owners Retainage:
% _____

18. Project Start Date:

19. Estimated Date of First Draw:

Surety/Agent Information:

20. Escrow Rate

21. Surety and Address:

22. Attorney-In-Fact:

23. Surety Contact:

24. Surety Telephone #:

25. Surety Email Address:

26. Bond Number:

27. *NACS requests copy of Contractor Indemnity Agreement.*

28. *NACS requires contractor check in the amount of \$250.00 payable to: North American Construction Services, Inc. to hold escrow account open until progress payments begin.*

Complete Escrow Account Terms/Conditions:

Per the terms of the Underwriting Approval for the Bond, with regards to the escrow conditions, you are advising NACS to disburse the funds as follows below. The following terms and conditions will be incorporated in the "ADDENDUM" OF THE ESCROW AGREEMENT.

IMPORTANT:

ALL SECTIONS MUST BE COMPLETED WITH A NUMBER (\$), PERCENTAGE (%), OR N/A

As pertaining to, and contained in Addendum to Escrow agreement:

1. Contractor shall, upon Contractor's execution of the Escrow Agreement, make a payment to NACS in the amount of _____ Dollars (\$_____) which will be deposited in the Escrow Account, and allocated as follows:

(a)_____ Dollars (\$_____) will be retained in the Escrow Account at all times, subject only to reduction upon full and final completion of the Work and acceptance thereof by Obligeo or with the express written consent of the Surety.

(b)_____ Dollars (\$_____) will be available to pay the costs and expenses of the Project identified in Paragraphs 5, 6 and 7 of escrow agreement.

2. All funds payable by Obligeo to Contractor shall be deposited from each draw in the Escrow Account in accordance with the Escrow Agreement, and allocated as follows:

(a)_____ percent (___%) of each draw will be retained in the Escrow Account at all times, subject only to reduction upon full and final completion of the Work and acceptance thereof by Obligeo.

(b)_____ percent (___%) of each draw will be available to pay the costs and expenses of the Project identified in Paragraphs 5 and 6 of the escrow agreement.

3. NACS shall, subject to the other provisions of this Addendum and the Escrow Agreement, issue checks from time to time on the Escrow Account payable to Vendors in such order as requested by Contractor to pay amounts owed by contractor to Vendors and to reimburse the Contractor for amounts previously paid in advance by Contractor to such Vendors subject to NACS's receipt and review of proper documentation of such advance payment, including, but not limited to, cancelled checks and lien waivers, specifically related to the Project referred to in the Escrow Agreement.
4. To the extent Funds remaining in the Escrow Account permit, NACS will, subject to the other provisions of this Addendum and the Escrow Agreement, issue checks from time to time drawn against the Escrow Account payable to Contractor to reimburse Contractor for amounts expended for its own direct labor, excluding any supervisory labor, plus a reasonable burden percentage of said direct labor of the percent allocated to the Project to cover payroll taxes and insurance on aforementioned direct labor.
5. To the extent Funds remaining in the Escrow Account permit, NACS will, subject to the other provisions of this Addendum and the Escrow Agreement, issue checks from time to time drawn on the Escrow Account payable to Contractor in the amount of the unpaid portion of the original estimated profit, overhead, supervisory, miscellaneous costs, materials out of inventory, and equipment expenses for the Project earned to the date of the pay request on the overall portion of the Work that has been completed as reflected in Contractor's most recent sworn construction statement or job cost breakdown and calculated by the percentage of completion method.

OTHER CONDITIONS IF DESIRED: (such as):

- 1) Verifiable payroll service
- 2) Outside engineer
- 3) Site visit
- 4) Or any other conditions

Please include on separate sheet of paper and submit with this escrow order form.

NACS strongly recommends bond NOT be released until escrow paperwork has been completed and received by NACS.

This escrow order form shall not be amended or modified except in writing by all parties. The escrow order form and escrow agreement contain the entire agreement between the parties relating to the matters referred to herein. All prior agreements, statements, understandings and representations whether written or oral, are merged herein.

Signed: _____
Agent or Attorney-In-Fact

Dated _____

This section to be completed by NACS Employees

Escrow Agreement # _____ has been set up according to the Escrow Order Form instructions. Please check with the Surety for the final release of the Bond.

Signed: _____ (North American Construction Services, Inc. Employee)

Date: _____ (1-800-936-6227) (Fax 763-546-1822)
Revised 8/11/2011