

CONSTRUCTION LOAN DISBURSEMENT
ESCROW AGREEMENT

THIS AGREEMENT, which is made, given and agreed jointly as of this _____ day of _____, 20__, to ACCESS TITLE COMPANY, INC., a Wisconsin Corporation (TITLE COMPANY),

by _____(LENDER),
and _____(OWNERS),
and _____(CONTRACTOR).

WITNESSETH:

WHEREAS, OWNER has entered into a Construction Contract with CONTRACTOR for construction of a home upon the premises described at Schedule C attached hereto, at a total cost of \$ _____ in conformity with plans and specifications agreed to between said parties, which said plans and specifications have been approved by LENDER; and OWNER has heretofore paid to CONTRACTOR the sum of \$ _____.

WHEREAS, Lender has entered into an agreement with OWNER to make a construction loan in the principal sum of \$ _____ to be secured by a Mortgage upon the premises described at Schedule C attached hereto, and OWNER has deposited additional funds with LENDER, providing a total of \$ _____ available for disbursement hereunder, and WHEREAS, LENDER, OWNER and CONTRACTOR contemplate that there will be no more than **FOUR (4)** disbursements pursuant to said loan, and that such disbursements will occur no more frequently than once each month, and

WHEREAS, LENDER, OWNER and CONTRACTOR agree that funds be disbursed by TITLE COMPANY;

NOW THEREFORE, LENDER, OWNER, and CONTRACTOR, jointly and severally, instruct TITLE COMPANY as follows:

(A) Prior to the first disbursement under this agreement, LENDER will deposit with TITLE COMPANY a foundation survey of the premises, a copy of the Construction Contract and a Master Construction Breakdown as shown at Exhibit "A" attached hereto.

(B) From time to time, LENDER will deposit with TITLE COMPANY the following:

1. A Disclosure Statement, in a form acceptable to TITLE COMPANY, bearing the written approval of OWNER disclosing the names and addresses of Contractor(s) and others to be paid and the amount to be paid to each of them. Said Disclosure Statement to further bear the written approval of LENDER and CONTRACTOR.

2. Funds sufficient to pay all amounts shown on the Disclosure Statement.

(C) Within 4 business days of receipt of all of the items listed above, TITLE COMPANY shall make all disbursements, at its sole option, to either CONTRACTOR or directly to subcontractors and/or suppliers as shown on Disclosure Statement.

(D) TITLE COMPANY need not be concerned with:

1. The sufficiency of funds necessary to complete construction.
2. Whether the construction will be completed, when completed, that the building will be in conformity with plans and specification referenced above.
3. The amount or quality of work (both workmanship and materials) in place.

(E) TITLE COMPANY is authorized to enter upon the premises for purposes of inspection on behalf of LENDER, to confirm activity in substantial conformity with Disclosure Statement. It is understood by all of the parties hereto that any inspections made are for the direct benefit of LENDER. OWNER acknowledges that matters including, but not limited to: (1) quality of workmanship and/or materials, (2) conformity with applicable building codes, (3) energy efficiency, (4) structural soundness, and/or (5) compliance with plans and specifications, are the sole responsibility of OWNER and CONTRACTOR.

(F) TITLE COMPANY shall disburse the funds deposited with it by LENDER only when it is in a position to cause to be issued a Title Commitment for a Policy insuring the priority of LENDER'S Mortgage without exception to any lien or right to a lien for services, labor and materials furnished by contractors to whom payment had been directed through the date of such disbursement; it being the TITLE COMPANY'S responsibility to collect properly executed lien waivers conforming to said disbursement. Prior to the date of final disbursement, TITLE COMPANY shall be prepared to issue the usual form ALTA Loan Policy of Title Insurance insuring the priority of LENDER'S Mortgage over any lien or right to a lien for services, material or labor heretofore or hereafter furnished and imposed by law.

(G) All funds deposited with TITLE COMPANY shall be held in a non-interest bearing account until disbursed and any funds deposited with TITLE COMPANY which exceed the amount required to be disbursed pursuant to the Disclosure Statement shall be returned to LENDER for the account of OWNER.

(H) Should funds be submitted to TITLE COMPANY without Disclosure Statement in proper form, signed by the required parties, and/or without adequate Lien Waivers, or should funds in an amount insufficient to pay all parties and amounts reported on Disclosure Statement, TITLE COMPANY shall not be obligated to disburse, but shall notify LENDER in writing of the nature and/or amount of the deficiency within three (3) business days of receipt of funds. If the deficiency is not cured within five (5) business days of the mailing of the said notice of deficiency, TITLE COMPANY shall

return all undisbursed funds to LENDER and shall have no further obligation to any party under this agreement.

(I) Should any party to this agreement notify the TITLE COMPANY of an objection to disbursement(s) pursuant to this agreement, TITLE COMPANY shall, at its sole discretion, hold the funds in its possession in a non-interest bearing account until new joint instructions signed by all parties to this agreement are received and accepted by TITLE COMPANY or commence an interpleader action in the proper court of competent jurisdiction and deposit all funds and documents with said court, retaining any and all amounts necessary to pay TITLE COMPANY'S costs and reasonable attorneys' fees for taking such action. Any notice of objection shall be delivered to TITLE COMPANY by Certified Mail with Return Receipt at 205 W. Cherry Street, Lancaster, WI 53813, and shall be deemed effective as of the date of receipt thereof by TITLE COMPANY.

LENDER, OWNER and CONTRACTOR agree to promptly notify TITLE COMPANY of any changes of or deviating from the Construction Contract, either in dollar amount or quality and/or quantity of construction or in the event that any or all of said parties receive any lien notice of intent to claim a lien from any contractor, subcontractor or material men in connection with the construction.

LENDER, OWNER and CONTRACTOR hereby relieve TITLE COMPANY of any liability in the event of disbursement of funds, should the remaining undisbursed balance be discovered to be insufficient to complete the construction, free and clear of construction lien claims either because of extras by OWNER for which no additional funds have been deposited with LENDER or because CONTRACTOR is unable to complete construction in conformity with the approved and agreed plans and specifications at the price set forth in the Construction Contract referenced above.

OWNER agrees to promptly reimburse TITLE COMPANY for any expenses reasonably and necessarily incurred in prosecuting or defending any action to which TITLE COMPANY becomes a party as a result of any dispute with reference to the rights of anyone claiming an interest in the funds deposited with TITLE COMPANY by LENDER and to hold TITLE COMPANY harmless from any liability for actions taken in the performance of TITLE COMPANY'S duties under this agreement.

LENDER, OWNER, CONTRACTOR and TITLE COMPANY agree that no interest shall accrue to any of the parties on any funds held by TITLE COMPANY pursuant to this agreement and that, in addition to charges and fees payable to TITLE COMPANY for its services, TITLE COMPANY may receive ancillary benefits from the use of funds deposited pursuant to this agreement.

As consideration for performing the duties described herein, OWNER agrees to pay the sum of \$300.00 to TITLE COMPANY prior to the first request for disbursement. OWNER agrees to pay the sum of \$100.00 to TITLE COMPANY for each additional disbursement beyond the number set forth in this agreement.

Be execution of this agreement, LENDER acknowledges that it is satisfied with the condition of title to the premises described in Schedule C attached hereto, as reported in Commitment No. _____ issued by TITLE COMPANY.

Accepted by all of the parties hereto as of the date and year first written above.

ACCESS TITLE COMPANY, INC., a Wisconsin Corporation,

BY: _____

Sonya Kirsch,

_____ (LENDER)

BY: _____, its _____

_____ (OWNER)

and _____ (OWNER)

_____ (CONTRACTOR)

BY: _____, its _____