



Independent Note & Contract Services, LLC

Independent Note & Contract Services, LLC
1204 Cleveland Avenue
Mount Vernon, WA 98273
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ESCROW HOLD BACK
ADDENDUM

This form must be completed and signed to establish a Holdback Account for Construction Funds.

Pursuant to the terms of the Loan Agreement between (Borrower) \_\_\_\_\_ and (Lender) \_\_\_\_\_, the beginning balance of \$ \_\_\_\_\_, is to be held in escrow with INCS. These funds are not to be released from escrow until such time as written instructions are received by the Lender or their authorized representative. If authorization is to be received by e-mail, lender must have an e-mail consent form on file.

Please specify:
[ ] The Holdback balance is included in the beginning principal balance, from the start of the loan; therefore, interest will accrued on the entire balance, per the agreement. \$25 per draw check
[ ] The Holdback funds will not accrue interest until advances are made. At which time, the amount of the draw will be added to the principal balance and will accrue interest, per the agreement. \$14 per adjustment + \$25 per draw check

The one-time fee to establish the hold back account and the draw fees will be deducted and paid from the held funds. Please make sure the initial deposit is sufficient to cover our fees. Hold back funds may be delivered to INCS by check or wire. If funds are received by wire, be sure to notify the office prior to sending, to avoid rejection.

Funds shall be held in a non-interest bearing escrow account at a federally insured banking institution. The construction funds will be held, in escrow, by INCS, until progress draws are due under the signed agreement, with disbursements at the direction of the lender or authorized representative. All such disbursements by INCS shall be made to the Borrower or to such third party the Lender shall order.

INCS' Rights and Obligations:

This Agreement is specifically made subject to the following terms and conditions, which are acceptable to and approved by all the parties signing this Agreement:

- a. INCS shall be liable as a depository only;
b. INCS, as part of the consideration for the acceptance of this escrow, shall not be liable for any acts of omissions done in good faith, nor for any claims, demand, or losses, or for any damages made or suffered by any party to this escrow, accepting, as such may arise through or be caused by INCS' negligence;
c. INCS may rely upon any paper, e-mail, document, or other writing believed by INCS to be authentic in making any delivery of funds hereunder; and
d. INCS may resign at any time by giving thirty (30) days written notice of such resignation of the parties, and, upon such resignation, shall tender a full and final accounting of all funds in INCS' possession to such person or entity as the parties may jointly direct as Successor Escrow Agent.

The Lender and Borrower hereby relieve INCS from any liability in the event that INCS disburses, per written instructions, part of the funds herein deposited and then the parties discover that the remaining undisbursed balance will be insufficient to complete the project free and clear of construction lien claims, either because of extras ordered by the Borrower for which no additional funds have been deposited with INCS, or because the project cannot be completed within budget. INCS is under no duty to any sub-contractors under the terms of this Agreement.

X \_\_\_\_\_
Payor/Borrower Signature Date

X \_\_\_\_\_
Payor/Borrower Signature Date

X \_\_\_\_\_
Payee/Lender Signature Date

X \_\_\_\_\_
Payee/Lender Signature Date