North American Construction Services, Inc.

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Why Use an Escrow Agreement and Funds Control?

An escrow agreement from North American Construction Services, Inc. (NACS) can help ensure that subcontractors and suppliers associated with a particular contract are paid. Having funds control in place can give you another tool to use in underwriting contractors that do not meet standard underwriting requirements. Once the escrow related project begins, the funds from your client's customer are paid directly to the escrow account. An irrevocable letter of direction or a Federal Notice of Assignment helps ensure that payments made to your client on the related project are deposited directly into the Escrow Account administered by NACS. The Surety sets the terms of the Escrow Agreement and can even suggest additional conditions it deems necessary.

What conditions can be added?

- "Hard Seed" funds that are held in the escrow account at all times
- "Soft Seed" funds that are available to pay hard costs on the project
- Additional Retention held in escrow account
- % of Profit Holdback
- Additional conditions defined by the Surety

** The Surety must request and define the desired conditions on the "Escrow Order Form"*



- Long standing bank relationships
- We can properly handle Federal Government Projects with a "Notice of Assignment"
- Bank participation on escrow agreement available
- Fast distribution of the Escrow Agreement once the "Escrow Order Form," copy of the contract, and indemnity agreement are received
- Transaction reporting available at any time
- Agent and Contractor forms available at www.nacsescrow.com

Who Is NACS, Inc.?

NACS, Inc. has been a leader in the escrow and funds control business since 1991 through economic boom and bust. Our experience has forged a strong Escrow Agreement and an ability to secure an "Irrevocable Letter of Direction" that directs funds related to a contract or purchase order directly to the escrow account. We also work with you and your client to make the process as easy as possible.

What are the costs?

Federal Projects	Standard Projects	Special Programs or Projects Over $2M
1.0%	.85%	Negotiable – Call for Info

Working with your Contractor

FAQ's from your Contractor

How fast will I get my money?

Normally, 24-48 hours from the time we receive the funds and proper documents from the contractor. It is generally on the short end of that range if the contractor provides correct documentation ahead of time.

How much paperwork is involved?

The first step in the process for the contractor is obtaining internal signatures on the Escrow Agreement and a signature from their obligee on the "Irrevocable Letter of Direction," or "Notice of Assignment."

A Job Cost Breakdown which mirrors the schedule of values but separates hard costs, labor, overhead and profit into separate lines is provided.

Lastly each payment request requires copies of invoices to be paid and labor reports if labor is being reimbursed. This is all documentation that should already be available on the project.

When is the escrow fee due?

You do not need to pre-pay the escrow fee; it can be paid out of the 1st progress payment.

Getting Started

The first step in the process is submitting an Escrow Order Form which can be found in this package or at www.nacsescrow.com. Copies of the contract and indemnity agreement are required with the Escrow Order Form. Remember to include any conditions to the escrow agreement you wish to utilize in the Terms and Conditions portion of the Escrow Order Form.

Next, using the information provided NACS will create and distribute the Escrow Agreement for signatures.

Finally, when all signatures are obtained and verified, the trust account at the bank is opened and ready to receive funds. If a "seed money" deposit is required it must also be received before NACS verifies that the escrow agreement is active. NACS will notify the agent and/or Surety when everything needed for the bond to be released is received.

The bond should not be released before the escrow agreement is fully activated.

