



**SECURITY
TITLE
COMPANY**

SECTITLE.COM

**SERVING GALLATIN,
MADISON AND PARK COUNTIES**

600 S. 19th Ave.
Bozeman MT 59718

33 Lone Peak Dr. Ste. 205
Big Sky MT 59716

203 S. Main Street
Livingston MT 59047

OFFICE 406.522.5500

CONSTRUCTION DISBURSEMENT AGREEMENT

Order No. _____

This Agreement made and entered into by and between **Security Title Company of Montana**, whose address is 600 S. 19th Avenue, Bozeman, MT 59718, hereinafter referred to as "Escrow Holder," and _____, hereinafter referred to as "Owner," and _____, hereinafter referred to as "General Contractor," and _____, hereinafter referred to as "Lender."

WHEREAS the parties desire Escrow Holder to administer construction funds in the amount of \$_____ for the purpose of constructing the improvements on the premises described as follows:

WHEREAS the parties desire to set forth in writing the terms, conditions and procedures for disbursement and payment of the proceeds for construction of the above-described improvements and related matters during the course of and completion of the construction project.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

Construction funds will be periodically deposited with Escrow Holder in connection with this agreement to be disbursed as follows:

Prior to each disbursement of funds, the Escrow Holder will be furnished the following:

- a. Written disbursement requests shall be submitted a minimum of two business days prior to the date for which disbursements are requested.
- b. Written approval by all parties to this Agreement of the requested disbursement.
- c. Statements, waivers, affidavits, supporting waivers, and releases of liens from such persons and in such forms as may be required by Escrow Holder.
- d. All disbursements will be made by check of Escrow Holder. Any disbursement from the account in the form of "certified funds" or wire transferred funds will be an additional cost.
- e. Disbursement requests will be accepted via facsimile and Escrow Holder is instructed to rely upon such as if they bore original signatures. The parties agree to provide the original signatures within five days of transmission to Escrow Holder.
- f. Any extras or change orders negotiated between the parties will be set forth in writing and will specify a stipulated sum for each such extra change. Any payment for extras or change orders will be made into the escrow prior to the performance of the extra work that may be called for.

Prior to final disbursement of funds, the Escrow Holder will be furnished the following:

1. Inspector's final report
2. Certificate of Completion by General Contractor
3. Certificate of Acceptance by Owner
4. General Contractor's Certificate
5. General Contractor's Lien Waiver

The Escrow Holder agrees to provide "lien waivers" for all sums disbursed through Escrow Holder's trust account in accordance with this Agreement. Escrow Holder will not be required to make any disbursements in the event any persons providing service, labor or materials to the property fail to provide Escrow Holder a waiver in the manner provided unless specifically authorized by all parties to this Agreement in writing to do so.

The Escrow Holder will not be obligated to make any inspections and will not be in a manner liable or responsible for the sufficiency, quality, or workmanship of the subject construction, and will not be liable for any loss that may occur for any reason except its gross negligence or willful misconduct in the administration of the terms and conditions of this Agreement. In the event any party to this agreement will require inspection reports relative to the progress of the construction project said inspection reports will be provided to and approved by all parties to this agreement prior to any subsequent disbursements.

The Escrow Holder is authorized to deduct from any funds deposited herein the fees and charges due said Escrow Holder pursuant to the provisions hereof. Escrow Holder will not be responsible for performing any state or federal tax reporting.

Fees charged as follows: A setup fee of \$300, a \$100 fee per draw for one check disbursement, or a \$250 fee per draw for multiple check disbursements. A "date down endorsement," if applicable, fee varies, will be charged, and a \$10 incoming wire fee if draws are wired to us.

The parties hereto jointly and severally agree to pay all costs, damages, judgments, and expenses, including reasonable attorney's fees suffered or incurred by the Escrow Holder in connection with, or arising out of, this escrow, including, but without limiting a suit in interpleader brought by the Escrow Holder.

This agreement is not made or intended to be for the benefit of anyone not apart to this Agreement, including those furnishing labor or materials, but is made for and is intended only for the benefit of the parties hereto.

It is understood that this Agreement cannot be modified or amended without the consent of all parties and that any such modification must be accepted by all parties in writing.

This Agreement will be construed in accordance with and governed by the laws of the State of Montana.

Note:

- Lender must inform STC of each draw deposit
- A construction agreement form must also be signed
- Draws must be approved, signed off on by all parties, and supporting invoices provided

before any disbursement will be processed

- All lien waivers from prior draw must be provided before release of funds on next pending draw
- There may be up to a 48-hour turnaround after STC is notified of draw deposit before disbursements will be available
- STC does not request draw funds or approve draw



**SECURITY
TITLE
COMPANY**

**600 S. 19TH AVE.
BOZEMAN, MT 59718**

**406.522.5500
SecTitle.com**

In WITNESS WHEREOF, the parties have caused the Agreement to be executed on this _____ day of _____, 2021.

Order Number: _____ **Total Loan Amount:** _____ **Start Date:** _____

How will draws be funded?

- Wire
- Check
- Direct Deposit to STC trust account

Disbursement options, please select:

- One check to builder, builder provides STC with all signed lien waivers (\$100/draw)
- Multiple checks to builder and subcontractors, STC to collect signed lien waivers (\$250/draw)

Owner's Name

Street/PO Box

City, State, Zip Code

Phone/Fax

Email

By:

Contractor's Name

Street/P.O. Box

City, State, Zip Code

Phone/Fax

Email

By:

Lender's Name

Street/P.O. Box

City, State, Zip Code

Phone/Fax

Email

By:



**SECURITY
TITLE
COMPANY**

**600 S. 19TH AVE.
BOZEMAN, MT 59718**

**406.522.5500
SecTitle.com**