



Construction Escrow

Understanding the Agreements and Forms

A webinar for real estate attorneys, paralegals and business professionals



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY
Nationwide Coverage. Personal Commitment®

Presenters



Christine Renner
Assistant Construction Escrow Officer

Jeff York
Assistant Regional Counsel



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Welcome Notes

- Copy of these presentation slides available at:
www.chicagocommercialcenter.com
- Questions will be answered at the conclusion
- Brief survey provided when you log-out
 - Attorneys seeking CLE credit must complete the survey



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Why a Construction Escrow Agreement?

- Clearly defines who is a party to the agreement
- Clearly identifies what documentation is to be deposited and by whom
- Clearly identifies the procedures the Escrowee is to follow
- There can be no deposit of funds or documentation without a fully executed escrow agreement in place at the title company



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

What to Consider Before Establishing a Construction Escrow

- What is the project?
- Where is it located?
- How long until completion?
- What is the project budget and what are the sources?
- Paying subcontractors directly or general contractor?
- Is title insurance required? If yes, will it be a Lender Policy or an Owner Policy?



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Insured Construction Escrow - Lender's Policy

- The typical construction escrow administered
- Payments made directly to subcontractors
- Requires an indemnity signed by the Owner
- The title company issues endorsement(s) extending the policy effective date to the funding date and extending the mechanic lien coverage to insure that defined payments have been made.
 - An enhanced version of this endorsement is available to cover lower tier undisclosed parties
 - Additional underwriting review is required



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Insured Construction Escrow – Owner’s Policy (aka Armour Note)

- Requires specific underwriting approval
- GC will be required to provide additional documentation:
 - Audited financials will need to be approved
 - An indemnity signed by the GC
- Payments are made directly to the subcontractors
- Title company issues an interim mechanic lien endorsement to the existing Owner’s policy



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Uninsured Escrows

- May be used in the following circumstances:
 - Owner wants documentation reviewed and payouts made by a 3rd party (No Lender involved)
 - The title company cannot insure the project
 - Tenant Improvements (Landlord must acknowledge and consent but is generally not a party)
- Escrowee’s standard for documentation review is the same as for an insured transaction



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Variations of the Insured & Uninsured Escrows

- Note that all variations require additional clearance and underwriting approval
 - Title company may need audited financial statements of some or all parties to the escrow
 - Title company may need some or all parties to sign an indemnity
- Additional risk premium may be charged
- There is no escrow in which the documentation is merely “reviewed and approved” by the Escrowee. Escrowee must either be insuring or disbursing.



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Variations of the Insured & Uninsured Escrows – Outside Interim

- Lender’s Escrows only
- Procedure in a standard insured lender’s escrow is followed, except:
 - Payouts are made by the Lender
 - The endorsement is not given to the Lender until the Lender can confirm they have disbursed



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Variations of the Insured & Uninsured Escrows – After the Fact

- Also called “trailing waivers” or “30 day delay”
- Payments typically made to the GC and to individual subcontractors
 - This procedure is to reimburse the GC for payments made to the subs
 - Prior to the disbursement, the GC submits their overall waiver and the waivers of the subcontractors from the immediately preceding draw
 - At the final draw, all final waivers must be provided at the time of disbursement



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Important Sections of the Construction Loan Escrow Agreement

- Article 1 – Identifies/defines the parties & project
- Article 2 – Identifies who the Escrowee is to pay (subcontractor or GC)
- Article 3 – Identifies what deposits are required to insure and disburse funds:
 - Owner’s Sworn Statement
 - Owner’s Approval of the Draw
 - GC Sworn Statement
 - Lender’s Approval
 - Sufficient funds to the draw
 - Waivers for the current draw (including overall from GC)
 - Inspection or Architect Certification as on AIA G702



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Important Sections of the Construction Loan Escrow Agreement

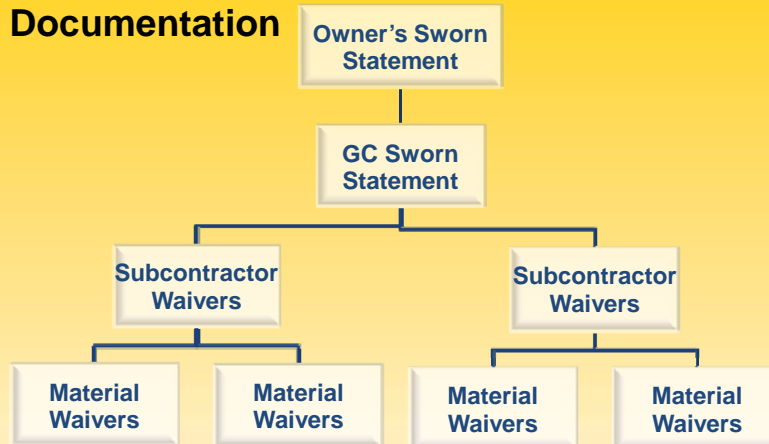
- Article 4 – General Conditions
 - Escrowee will stop disbursement and notify Lender a filed lien is found in the title search
 - Escrowee can stop disbursements if the loan becomes “out of balance” or for other red flags described in Art. 4(B)
 - A copy of all final documentation needs to be provided at the time of disbursement
 - Funds deposited in escrow are not invested. Must have instructions to invest, completed investment forms and W9s
 - Art. 4(l) contains limited indemnification from the Owner to the Title Company



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Construction Documentation



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Sworn GC Statement

SWORN STATEMENT OF CONTRACTOR AND SUBCONTRACTOR

The affiant, CAROL FERRIS being first duly sworn, on oath deposes and says that he is VICE PRESIDENT of HAL JORDAN GENERAL CONTRACTING, INC. that THEY have a contract with ABC PROPERTY OWNERS, INC. owner for GENERAL CONTRACTING SERVICES on the following described premises in said County, to wit: 123 MAIN STREET, EVANSTON, IL

That, for the purposes of said contract, the following persons have been contracted with, and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on said improvement. That there is due and to become due them, respectively, the amounts set opposite their names for materials or labor as stated. That this statement is a full, true and complete statement of all such persons, the amounts paid and the amounts due or to become due to each.

NAME	ADDRESS	AMOUNT PAID	AMOUNT DUE	TOTAL PAID	TOTAL DUE
TONY STARK EXCAVATIONS	854 MILL CREEK TERR ADDISON IL 700555-7055	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00
CONCRETE FORMING COMPANY	7875 N RAND ROAD MT PROSPECT, IL 847555-7675	\$356,400.00	\$320,760.00	\$320,760.00	\$35,640.00
DAVID'S DRYWALL	3242 CENTRAL AVENUE EVANSTON, IL 847555-9051	\$587,750.00	\$108,000.00	\$237,500.00	\$242,250.00
HARRY'S HEATING AND COOLING	1265 OLD ORCHARD ROAD SKOKIE, IL 847555-8976	\$1,296,700.00	\$0.00	\$328,877.00	\$999,823.00
NOT LET		\$145,000.00			\$145,000.00
AND SO ON					
TOTAL		\$2,035,850.00	\$1,078,760.00	\$1,326,137.00	\$1,702,673.00



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms

© 2011 Chicago Title Insurance Company

Sworn GC Statement

SWORN STATEMENT OF CONTRACTOR AND SUBCONTRACTOR TO OWNER AND TO CHICAGO TITLE INSURANCE COMPANY

State of COOK) ss. **ESROW No. 1461 SAMPLE 001**
County of ILLINOIS

The affiant, CAROL FERRIS, being first duly sworn, on oath deposes and says that he is

1	2	3	4	5	6	7
Name and Address	Kind of Work	Amount of Contract	Retention (see comment)	Net of Previous Payments	Net Amount This Payment	Balance to Become Due (inc. Retentions)
TONY STARK EXCAVATIONS 854 MILL CREEK TERR ADDISON IL 700555-7055	DEMO/EXCAV.	\$750,000.00		\$750,000.00		\$0.00
CONCRETE FORMING COMPANY 7875 N RAND ROAD MT PROSPECT, IL 847555-7675	CONCRETE	\$356,400.00		\$320,760.00	\$35,640.00	\$0.00
DAVID'S DRYWALL 3242 CENTRAL AVENUE EVANSTON, IL 847555-9051	DRYWALL	\$587,750.00		\$108,000.00	\$237,500.00	\$242,250.00
HARRY'S HEATING AND COOLING 1265 OLD ORCHARD ROAD SKOKIE, IL 847555-8976	HVAC	\$1,296,700.00		\$0.00	\$328,877.00	\$999,823.00
NOT LET	LANDSCAPING	\$145,000.00				\$145,000.00
	AND SO ON					



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms

© 2011 Chicago Title Insurance Company

Waiver of Lien to Date & Contractor's Affidavit

CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS) SS
COUNTY OF COOK)

TO WHOM IT MAY CONCERN:
THE UNDERSIGNED, (NAME) **LARRY DAVID** BEING DULY SWORN, DEPOSES AND SAYS THAT HE OR SHE IS (POSITION) **PRESIDENT** OF (COMPANY NAME) **DAVID'S DRYWALL** WHO IS THE CONTRACTOR FURNISHING **DRYWALL MATERIAL AND INSTALLATION** WORK ON THE BUILDING LOCATED AT **123 MAIN STREET, EVANSTON, IL 60202** OWNED BY **ABC PROPERTY OWNERS, INC.**

That the total amount of the contract including extras* is **\$87,750.00** on which he or she has received payment of **\$ 108,000.00** prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defect the validity of said waivers. That the following are the names and addresses of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES AND ADDRESSES	WHAT FOR	CONTRACT PRICE INCLUDING EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
BEST DRY WALL SUPPLY 899 WEST GLENVIEW RD, GLENVIEW, IL 60025	DRYWALL MAT.	\$26,000.00	\$50,000.00	\$170,000.00	\$16,000.00
DAVID'S DRYWALL 3246 CENTRAL AVENUE, EVANSTON, IL 60201	LABOR AND INSTALLATION	\$51,750.00	\$58,000.00	\$67,500.00	\$26,250.00
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS* TO COMPLETE		\$87,750.00	\$108,000.00	\$237,500.00	\$242,250.00

There that there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE _____ SIGNATURE _____
SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 20____
NOTARY PUBLIC _____ SEAL _____

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

WAIVER OF LIEN TO DATE

STATE OF ILLINOIS) SS
COUNTY OF COOK)

TO WHOM IT MAY CONCERN:
I, **DAVID'S DRYWALL**, BEING DULY SWORN, DEPOSES AND SAYS THAT HE OR SHE IS (POSITION) **PRESIDENT** OF (COMPANY NAME) **DAVID'S DRYWALL** WHO IS THE CONTRACTOR FURNISHING **DRYWALL MATERIAL AND INSTALLATION** WORK ON THE BUILDING LOCATED AT **123 MAIN STREET, EVANSTON, IL 60202** OWNED BY **ABC PROPERTY OWNERS, INC.**

That the total amount of the contract including extras* is **\$87,750.00** on which he or she has received payment of **\$ 108,000.00** prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defect the validity of said waivers. That the following are the names and addresses of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAME	CONTRACT PRICE INCLUDING EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
BEST DRY WALL SUPPLY	\$26,000.00	\$50,000.00	\$170,000.00	\$16,000.00
DAVID'S DRYWALL	\$51,750.00	\$58,000.00	\$67,500.00	\$26,250.00
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS* TO COMPLETE	\$87,750.00	\$108,000.00	\$237,500.00	\$242,250.00

There that there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE _____ SIGNATURE _____
SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 20____
NOTARY PUBLIC _____ SEAL _____

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Partial Material Waiver

WAIVER OF LIEN TO DATE

STATE OF ILLINOIS) SS
COUNTY OF COOK)

TO WHOM IT MAY CONCERN:
WHEREAS the undersigned has been employed by **DAVID'S DRYWALL** to furnish **DRYWALL MATERIAL** for the premises known as **123 MAIN STREET, EVANSTON, IL** of which **ABC PROPERTY OWNERS, INC.** is the owner. THE undersigned, for and in consideration of **ONE HUNDRED SEVENTY THOUSAND DOLLARS AND NO/100 (\$ 170,000.00)** Dollars, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of **ILLINOIS** relating to mechanics' liens, with respect to and on said above-described premises, and the improvement thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of all labor services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described premises, INCLUDING EXTRAS.*

DATE **APRIL 30, 2011** COMPANY NAME **BEST DRY WALL SUPPLY**
ADDRESS **809 WEST GLENVIEW ROAD, GLENVIEW, IL 60025**

SIGNATURE AND TITLE _____
SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____ 2____
NOTARY PUBLIC _____

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Questions & Answers

- Please submit your written questions with the webinar control panel on your screen



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Contact Us

- If you are a current client of Chicago Title, please contact your sales representative
- If you are not a current client, please contact:

Cindy Malone

312-223-3360

cindy.malone@ctt.com

Tom Meier

312-223-3880

tom.meier@ctt.com



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Thank You!

- These presentation slides can be downloaded at www.chicagocommercialcenter.com
- Please complete the brief survey that appears when you log-out
- CLE certificates will be emailed to attorneys who complete the survey



CHICAGO COMMERCIAL CENTER
CHICAGO TITLE INSURANCE COMPANY

Construction Escrow: Understanding the Agreements and Forms
© 2011 Chicago Title Insurance Company

Attachments:

- 1) Notes related to slides 14 through 22
- 2) Sample forms

Construction Escrow Documentation Completion

Typical Forms used in Local and National Construction Escrows

- Owners Sworn Statement/Tenant Sworn Statement
- General Contractors Statement
- Subcontractor Waivers and Affidavits
- Material Waivers

Owner's Sworn Statement

- This document is the starting point for the Escrowee's waiver exam and is a sworn affidavit provided by the owner of the property to the Escrowee outlining all parties with whom the Owner has contracted
 - Needs to include not only the General Contractor, but all other costs, including the Architect, Surveyor, Interior Design, soft costs, etc.
- Though not statutory, the Owners Sworn Statement is required in all of the Agreements utilized by the title company
- A properly completed form:
 - "State of" and "County of" should be completed at the top with the state and county where it is signed and notarized.
 - Fully identifies affiant (person signing on behalf of the owner who has knowledge) with that person's name and title/capacity
 - Properly identifies the real property
 - All trade/work performed line items need to be fully completed with the name and addresses of all parties engaged/contracted – oral or written- by the owner
 - All line items need to disclose the current contract status:
 - Value of the contract at the time the document is signed, including all extras, change orders and credits.
 - All amounts previously paid
 - Current amount being paid (net)
 - Balance to come due
- The statement needs to include an Owner's Approval to pay the amounts disclosed thereon.
 - If the statement does not appear, then the Owner can submit a separate approval
- The columns should total to the full budget of the project, previously paid amount, current draw amount, and balance to complete.
- The Owner's Sworn Statement needs to be signed by an officer of the company and notarized

Tenant Sworn Statement

- Same as the Owners Statement but used in a Tenant Improvement Escrow in which the Tenant is the party who lets contracts

General Contractors Sworn Statement (also called a Section 5 Affidavit in Illinois)

- Called a Section 5 Affidavit because, in Illinois, it is required per 770 ILCS 60/5
- This is a sworn affidavit provided by the General Contractor to the Owner outlining all parties with whom the GC has a contract – either oral or written

- Proper completion of this document may offer the Owner a proper payment defense in the event of a mechanic lien foreclosure.
- A properly completed form:
 - “State of” and “County of” should be completed at the top with the state and county where it is signed and notarized.
 - Fully identifies affiant (person signing on behalf of the owner who has knowledge) with that person’s name and title/capacity
 - Identifies the project, property owner and real property
 - All trade/work performed line items need to be fully completed with the name and addresses of all parties engaged by the General Contractor, whether is was through an oral or a written contract-
 - All line items need to factually disclose the current contract status:
 - Value of the sub contract at the time the document is signed, including all extras, change orders and credits.
 - All amounts previously PAID to the subcontractors
 - Not “billed” or “invoiced”
 - Current amount being paid to the subcontractors (net)
 - Balance to come due to the subcontractors
- This document is different from an AIA statement and we cannot accept an AIA Statement in lieu of this form

Subcontractor Waivers and Affidavits

- The Chicago Title form of waiver is really two documents on one page – a waiver at the top and an affidavit at the bottom
 - Only officers of the company can sign waivers and affidavits
- Partial/Final Waiver
 - Waivers are required from all contractors, including general contractors, subcontractors, sub-subcontractors, etc., and material suppliers
 - Waivers must list a consideration amount. We cannot accept a waiver for \$0.00 consideration
 - Partial Waiver to date waives only to a specific date
 - The date on a partial waiver should be the invoice cut off date
 - Waives to date for retention, work done, but not billed, extras, change orders, and work billed and not yet approved for payment
 - Final Waiver waives for all work heretofore or hereafter furnished
 - Conditional Waivers - It is not the practice of Chicago Title to accept conditional waivers from any tier trade
- Contractor Affidavit (also called a Section 22 Affidavit in Illinois)
 - This is a sworn affidavit that is similar to the General Contractor’s Statement in that it identifies all sub-subcontractors or material providers engaged by the subcontractor
 - It is a requirement that it be fully and factually completed, like the Section 5 Affidavit.
 - It discloses the value of the subcontract at the time of signing and discloses what amount has previously been paid thereunder
 - A properly completed form:

- “State of” and “County of” should be completed at the top with the state and county where it is signed and notarized.
- Fully identifies affiant (person signing on behalf of the owner who has knowledge) with that person’s name and title/capacity
- Identifies the type of work being done, project, property owner and real property
- Identifies all sub-subcontractors and materialmen with whom the subcontractor has contracted for labor, materials, or supplies for the project.
 - Discloses the current status of each of the contracts
 - Has all supporting waivers identified in the affidavit attached
- The Escrowee assumes that most subcontractors have material suppliers, usually in the amount of 30% to 50% of the value of their subcontract
- In the event that there are no material suppliers, the subcontractor can state the following in their affidavit:
 - "All material taken from fully paid stock and delivered to job site in company owned trucks. All labor paid for. Our principal supplier is: ___(complete with the name and address of the supplier)___"

Material Waivers

- The material waiver is merely the top section of the Chicago Title form and can be used by those material suppliers who only provide labor only **OR** material only that is delivered to the property.

CHICAGO TITLE INSURANCE COMPANY
SWORN OWNER'S STATEMENT TO CHICAGO TITLE INSURANCE COMPANY

STATE OF _____)
 COUNTY OF _____) SS

Guarantee No. _____
 Escrow No. _____

The affiant, _____ being first duly sworn, on oath deposes and says that he is the *owner/beneficiary of Trust No _____ held by _____ which is the owner * of the following described premises in _____ County, Illinois, to wit: _____

1. That he is thoroughly familiar with all the facts and circumstances concerning the premises described above;
2. That with respect to improvements on the premises the only work done or materials furnished to date are as listed below;
3. That the only contracts let for the furnishing of future work or materials relative to the contemplated improvements are as listed below;
4. That this statement is a true and complete statement of all such contracts, previous payments and balances due, if any.

NAME AND ADDRESS	KIND OF WORK	ADJUSTED TOTAL CONTRACT INC. EXTRAS & CREDITS	PREVIOUSLY PAID	AMOUNT OF THIS PAYMENT	BALANCE TO BECOME DUE
	ARCHITECT				
	SURVEYOR				
	ENGINEER				
	SOIL TESTS				
	GENERAL CONTRACTOR				
	OFF SITE IMPROVEMENTS				
	OTHERS				
	TOTAL:				

THE UNDERSIGNED HEREBY APPROVES THE ABOVE AMOUNTS FOR PAYMENT.

SIGNED _____

ADDRESS _____

Subscribed and sworn before me this _____ day of _____, 20____.

 Notary Public

WAIVER AND AFFIDAVIT COMPLETION INSTRUCTIONS

The following information is being provided in an effort to minimize the delays caused by incomplete or improperly completed waivers or contractor's affidavit forms. If you are familiar with the preparation of these forms, then no further reading is necessary. If not, we suggest you read and comply with the information as provided below.

The forms titled Partial Waiver or Final Waiver, which are printed and provided by Chicago Title Insurance Company upon request are in reality two forms each. The Partial Waiver form is a Waiver of Lien to Date form and a Contractor's Affidavit form. The Final Waiver form is a Final Waiver of Lien form and a Contractor's Affidavit form. You must complete and sign both the waiver section and the affidavit section on each form before you submit the form to Chicago Title. The signature on the affidavit section of the form must be notarized. A failure to fully complete each section of the form could result in a delay in the processing of a construction draw request.

WAIVER OF LIEN SECTION

- Section
1. Enter Chicago Title Insurance Company's file number or Chicago Title & Trust Company's escrow number, if known.
 2. Enter the name of the party you contracted with for the service to be performed. Review your contract for correct name, if necessary.
 3. Enter the service or materials you agreed to perform or supply (type of work).
 4. Enter the complete street address or a sufficient legal description to identify the property, if vacant.
 5. Enter the name of the record owner of the property.
 6. Enter the dollar amount of this payment, spelled out in words.
 7. Enter the same dollar amount of this payment, written in numbers.
 8. Date the waiver.
 9. Enter the name and address of your company; sign the waiver and state your title (i.e. owner, president, partner, etc.).

CONTRACTOR'S AFFIDAVIT SECTION

- Section
1. Enter your name.
 2. Identify your position held in the company (i.e., owner, president, partner, etc.)
 3. Enter your company name or business name.
 4. Enter the service or materials you agreed to perform or supply (type of work).
 5. Enter the complete street address or a sufficient legal description to identify the property, if vacant.
 6. Enter the name of the record owner of the property.
 7. Enter the total contract amount, written in numbers, **INCLUDING ALL EXTRAS AND CHANGE ORDERS, BOTH ORAL AND WRITTEN.**
 8. Enter the total amount of all payments you previously received, written in numbers. If you previously received nothing, use "0".

9. Identify all subcontractors and materialmen with whom your company has contracted for labor, materials, or supplies for the project.

For each subcontractor or materialman listed:

- a. Describe the type of work performed or the materials supplied by the sub-subcontractor or materialman;
- b. Enter the total amount of the subcontract, **including change orders, both oral and written**;
- c. Enter the total amount of all payments previously made to the subcontractor or materialman, and attach waivers for those payments;
- d. Enter the total amount of the current payment to the subcontractor or materialman, and attach a waiver for the payment;
- e. Enter the balance due under the subcontract; and
- f. Total all columns.

If no subcontractors or materialmen are hired, because all materials were taken from fully paid stock, the following statement **must** be made:

"My suppliers are:

Name	Address
Name	Address

All material taken from fully paid stock and delivered to job site in my/our own truck."

Enter "0" in the Balance Due column for each supplier listed.

If there are no subcontracts for labor, then the following statement must be made (refers to your employees):

"All labor is paid."

- 10. Date the affidavit.
- 11. Sign the affidavit.
- 12. Have a notary date, sign and seal the affidavit.

WAIVER OF LIEN TO DATE

STATE OF _____ } SS
 COUNTY OF _____

Gty# _____
 Escrow# _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by _____
 to furnish _____
 for the premises known as _____
 of which _____ is the owner.

THE undersigned, for and in consideration of (\$ _____) Dollars, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of _____, relating to mechanics' liens, with respect to and on said above-described premises, and the improvement thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of all labor services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described premises, INCLUDING EXTRAS.*

DATE: _____

COMPANY NAME: _____
 ADDRESS: _____

SIGNATURE _____ TITLE _____

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

STATE OF _____ } SS
 COUNTY OF _____

CONTRACTOR'S AFFIDAVIT

TO WHOM IT MAY CONCERN:

THE UNDERSIGNED, (NAME) _____ BEING DULY SWORN, DEPOSES
 AND SAYS THAT HE OR SHE IS (POSITION) _____ OF
 (COMPANY NAME) _____ WHO IS THE
 CONTRACTOR FURNISHING _____ WORK ON THE BUILDING
 LOCATED AT _____
 OWNED BY _____

That the total amount of the contract including extras* is \$ _____ on which he or she has received payment of \$ _____ prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defect the validity of said waivers. That the following are the names and addresses of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES AND ADDRESSES	WHAT FOR	CONTRACT PRICE INCLUDING EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS* TO COMPLETE					

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE _____ SIGNATURE _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 20____.

 NOTARY PUBLIC SEAL:

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

FINAL WAIVER OF LIEN

STATE OF _____ } SS
COUNTY OF _____

Gty#

Escrow#

TO WHOM IT MAY CONCERN:

WHERE AS the undersigned has been employed by _____
to furnish _____
for the premises known as _____
of which _____ is the Owner.

The undersigned, for and in consideration of
(\$ _____) Dollars, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all
lien or claim of, or right to, lien, under the statutes of the State of _____, relating to mechanics' liens, with respect to and on said above described premises,
and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to
become due from the owner, on account of labor services, material, fixtures, apparatus or machinery hereto furnished, or which may be furnished anytime
hereafter, by the undersigned for the above-described premises, INCLUDING EXTRAS.*

DATE:

COMPANY NAME:

ADDRESS:

SIGNATURE _____ TITLE _____

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

STATE OF _____ } SS
COUNTY OF _____

CONTRACTOR'S AFFIDAVIT

TO WHOM IT MAY CONCERN:

THE UNDERSIGNED, (NAME) _____ BEING DULY SWORN DEPOSES
AND SAYS THAT HE OR SHE IS (POSITION) _____ OF
(COMPANY NAME) _____ WHO IS THE
CONTRACTOR FURNISHING _____ WORK ON THE BUILDING
LOCATED AT _____
OWNED BY _____

That the total amount of the contract including extras* is \$ _____ on which he or she has received payment of \$ _____ prior to this payment. That all
waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defect the validity of said
waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts or
sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each,
and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES AND ADDRESSES	WHAT FOR	CONTRACT PRICE INCLUDING EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS* TO COMPLETE					

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other
work of any kind done or to be done upon or in connection with said work other than above stated.

DATE _____ SIGNATURE _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 20_____.

NOTARY PUBLIC SEAL:

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

WAIVER OF LIEN TO DATE

STATE OF _____

Gty# _____

) SS

COUNTY OF _____

Escrow# _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by _____

to furnish _____

for the premises known as _____

of which _____ is the owner.

THE undersigned, for and in consideration of _____ (\$ _____)

Dollars, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statues of the State of _____ relating to mechanics' liens, with respect to and on said above-described premises, and the improvement thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of all labor services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described premises, INCLUDING EXTRAS.*

DATE _____

COMPANY NAME _____

ADDRESS _____

SIGNATURE AND TITLE _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 2_____.

NOTARY PUBLIC

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

FINAL WAIVER OF LIEN

STATE OF WISCONSIN

Gty # _____

} SS

COUNTY OF _____

Loan # _____

TO WHOM IT MAY CONCERN:

WHERE AS the undersigned has been employed by _____

To furnish _____

for the premises known as _____

of which _____ is the Owner.

The undersigned, for in consideration of _____
\$ _____)

Dollars, and other good and valuable consideration, the receipt whereof hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of _____, relating to mechanics' liens, with respect to and on said above described premises. And the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of labor services, material, fixtures, apparatus or machinery hereto furnished, or which may be furnished by the undersigned for the above-described premises, INCLUDING EXTRAS.*

DATE _____

COMPANY NAME _____
ADDRESS _____

SIGNATURE AND TITLE _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 2____.

NOTARY PUBLIC

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.