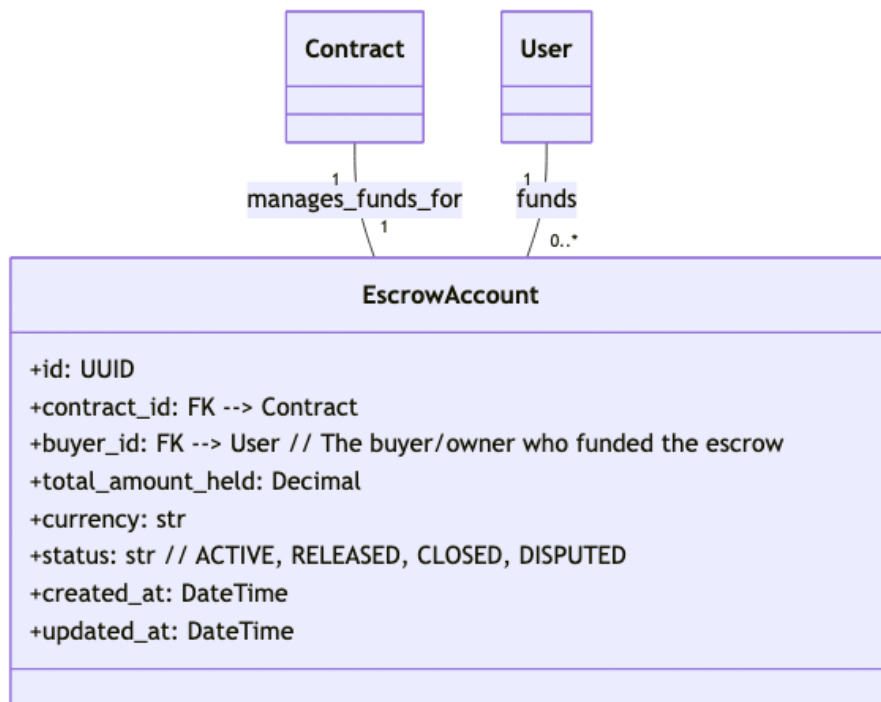


### Phase 3: Escrow + Embedded Finance Layer

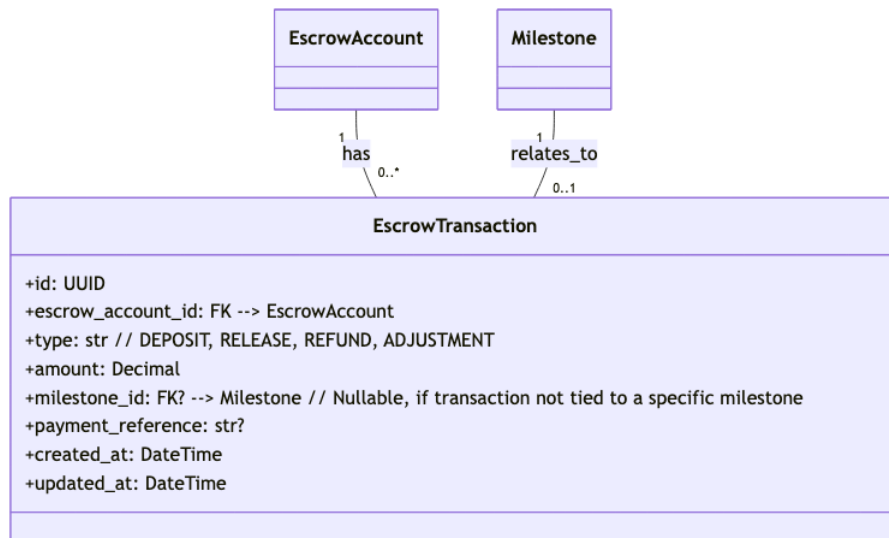
**Overview:** This pivotal phase introduces the robust financial infrastructure, transitioning from placeholder payments to a secure, automated escrow system. It focuses on mitigating payment and delivery risks, laying the groundwork for embedded financing, and formalizing dispute resolution.

#### Core Entities:

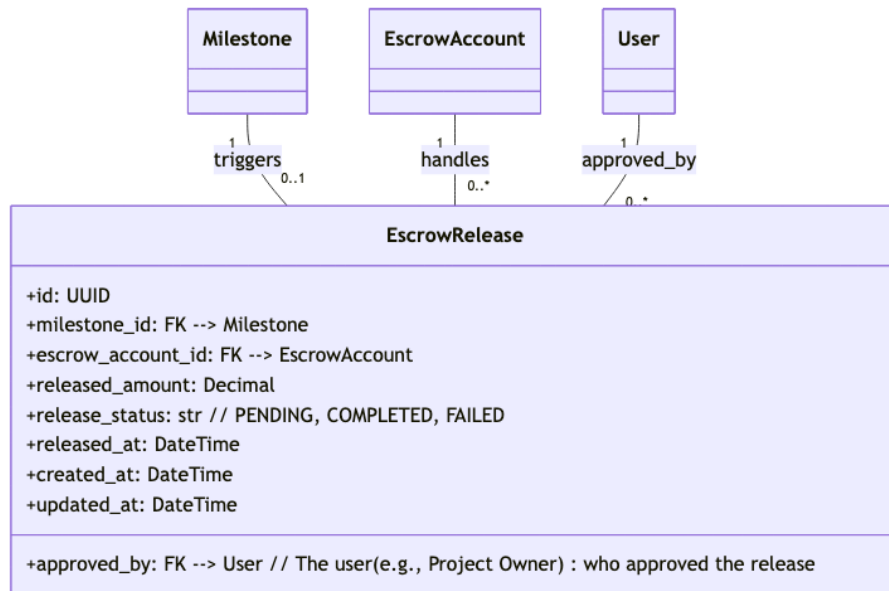
**3.1. Escrow Account (`escrow_account`)** Represents a dedicated account where funds are securely held for a specific **Contract** or order, ensuring trust between transacting parties.



**3.2. Escrow Transaction (`escrow_transaction`)** Records every movement of funds into, within, or out of an **EscrowAccount**, providing a complete audit trail for financial flows.



**3.3. Escrow Release (`escrow_release`)** Documents the approval and release of funds from an **EscrowAccount** upon the successful completion and approval of a **Milestone**.



**3.4. Escrow Dispute Hold (`escrow_hold`)** Captures the state when funds in an **EscrowAccount** are temporarily frozen due to a **Dispute**, awaiting arbitration.

