



**EXPENSE. ALL DIRECT AND INDIRECT COSTS INCURRED BY OWNER AND ESCROW AGENT TO RE-INSPECT AND RE-TEST SHALL BE DEDUCTED FROM PROCEEDS DUE CONTRACTOR.**

**4. CHECK DISBURSEMENTS**

All disbursements shall be in the form of a check payable to the Contractor.

**5. CHANGE ORDERS**

The Escrow Agent will not pay for any work beyond that called for in the original Construction Contract unless a written change order has been approved and signed by the Escrow Agent, the Contractor, and the Owner. The Escrow Agent may require additional funds to be deposited into the Escrowed Funds to pay for increased costs so that at all times there remain sufficient Escrowed Funds to pay for the Work.

**6. DISPUTE RESOLUTION**

The Contractor and the Owner will notify the Escrow Agent of any disputes between them. The Escrow Agent shall, within fifteen working days from receipt of a complaint, organize an informal meeting with the Owner and the Contractor. MaineHousing may inspect any of the Work at any time and may participate in any informal meeting. If the informal conference produces a resolution to the dispute, the Escrow Agent shall prepare and the Contractor and Owner shall sign a document that plainly states the agreed upon resolution. If the meeting does not result in a resolution, the Escrow Agent shall document the results of the meeting and how the parties disagree. If the Escrow Agent, the Contractor, and the Owner cannot come to a resolution of the matter, then the issue shall be resolved through binding arbitration as regulated by the Maine Uniform Arbitration Act. The parties shall participate in a binding arbitration as soon as possible after the informal conference. The binding arbitration shall be in accordance with the construction industry arbitration rules of the American Arbitration Association unless the Escrow Agent, Owner, and Contractor otherwise agree. The Owner and Contractor shall submit all disputes or claims regardless of the extent of the Work's progress to the arbitrator. The award rendered by the arbitrator shall be final and judgment may be entered upon it in any court having jurisdiction thereof. MaineHousing may, at its sole discretion, pay for the costs of an arbitrator. The parties will each pay their own attorneys' fees and other costs.

**7. MECHANICS LIENS**

The Escrow Agent assumes no liability for mechanics liens filed in connection with any of the Work.

**8. REMAINING PROCEEDS**

Regarding Federal Lead Program funded projects, if there are Escrowed Funds remaining after final payment, those funds which are the proceeds shall be applied as a principal reduction to the outstanding balance of the grant.

**9. MISCELLANEOUS**

If any part of this Agreement is held to be unenforceable or void, such fact shall not affect the validity or enforceability of the remaining parts of this Agreement. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, successors, and assigns of the parties. This Agreement shall be construed in accordance with and governed by the laws of the State of Maine.

**This Agreement is duly executed by the parties on the above written Agreement Date.**

**OWNER**

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Co-Owner

\_\_\_\_\_  
Date

**CONTRACTOR**

\_\_\_\_\_  
Signature of Contractor Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Representative Name

**ESCROW AGENT**

\_\_\_\_\_  
Signature of Escrow Agent Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Escrow Agent Representative Name