



MAINE LEAD PAINT HAZARD ABATEMENT PROGRAM (N261)

CONSTRUCTION ESCROW AGREEMENT

APPLICANT (OWNER):

CO-APPLICANT (CO-OWNER):

Entity or Owner First Name MI Last Name

Entity or Owner First Name MI Last Name

PROPERTY:

COMMUNITY ACTION AGENCY (CAA):

Property Street

CAA Name

Property City Property State Property Zip

Agreement Date:

Grant Amount:

CONTRACTOR:

Owner Contribution:

Contractor Name

Total Escrow Funds:

This Agreement is entered into on the above written Agreement Date in conjunction with a Maine Lead Paint Hazard Program grant from the above-referenced CAA to the Owner in the amount of the above written Grant Amount.

1. DEPOSIT.

The Owner has deposited its above Owner Contribution and Maine State Housing Authority ("MaineHousing") is depositing its Grant Amount (together the "Escrow Funds") with the CAA for work described in Exhibit C to a Construction Contract of near or even date among the Owner, the Contractor, and the CAA as may be modified by change orders executed by the Owner, the Contractor, and the CAA (the "Work").

2. FULL FUNDING.

This Agreement is contingent upon the CAA's receipt of the total Escrow Funds in an amount equal to the amount set forth in the Construction Contract.

3. DISBURSEMENTS.

The CAA shall withhold ten percent of the Escrow Funds until all Work has been completed to the satisfaction of the CAA and the Owner. The CAA shall not make any disbursements until the Contractor has provided the CAA and Owner with copies of any required permits. The CAA shall disburse funds only for any of the Work which is (a) completed, (b) approved by the Owner, (c) inspected by the CAA, and (d) approved by the CAA. For each requisition the Contractor shall submit invoices for materials and the portion of the Work completed through the date of the requisition and lien waivers from all contractors and subcontractors who performed any of the Work through the date of the requisition. The CAA shall withhold final payment until the CAA has received a certificate of occupancy from the municipality where the Work was performed, if applicable, and has conducted a final inspection of the Work and certified that the Work is complete. Completed Work includes the achievement of lead dust clearance levels as described by the United States Department of Housing and Urban Development Lead-based Paint Poisoning Prevention in Certain Residential Structures regulations, 24 CFR Part 35.

IT IS THE CONTRACTOR'S RESPONSIBILITY TO ACHIEVE THE LEAD DUST CLEARANCE STANDARDS REQUIRED BY 24 CFR PART 35. IF DUST WIPE TESTING INDICATES LEAD DUST LEVELS ARE HIGHER THAN ALLOWABLE, CONTRACTOR MUST RECLEAN THE AREAS THAT FAILED AT CONTRACTOR'S EXPENSE. ALL DIRECT AND INDIRECT COSTS INCURRED BY OWNER AND CAA 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 CAA 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 CAA, the Contractor, and the Owner. The CAA may require additional funds to be deposited into the Escrow Funds to pay for increased costs so that at all times there remain sufficient Escrow Funds to pay for the Work.

**6. DISPUTE RESOLUTION.**

The Contractor and the Owner will notify the CAA of any disputes between them. The CAA 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 CAA 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 CAA shall document the results of the meeting and how the parties disagree. If the CAA, 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 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 CAA assumes no liability for mechanics liens filed in connection with any of the Work.

**8. 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

**CAA**

\_\_\_\_\_  
Signature of CAA Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
CAA Representative Name