RETAINAGE PUBLIC CONTRACTS
ESCROW AGREEMENT

THIS ESCROW AGREEMENT made and entered into this 24th day of February, 2009, by and between Monroe County Community School Corp (herein called Owner), James Babcock, Inc (herein called Contractor), and Old National Bank as Escrow Agent, (herein called Agent) witnesseth:

WHEREAS, Owner and Contractor entered into a contract dated January 22, 2009, providing for the construction by Contractor of a public building, work or improvement subject to the provisions of IC 36-1-12-14;

WHEREAS, pursuant to said statute said construction contract provides that portions of payments by Owner to Contractor shall be retained by Owner (herein called Retainage) and placed in an escrow account:

NOW, THEREFORE, it is agreed as follows:

1. Owner will deliver or cause to be delivered to Agent the Retainage, to be in accordance with the terms of this agreement.

2. The Agent shall promptly deposit the Retainage in a separate account designating the names of Owner and Contractor. This account will be a restricted Money Market Escrow Account held at Old National Bank.

3. Agent shall hold the escrowed principal until receipt of written authorization from Owner specifying the portion or portions of the escrowed funds to be released from the escrow to Contractor. Upon receipt of such authorization, Agent shall consider it a direction and remit the designated portion of escrowed principal as directed.

4. Income shall normally be accrued until termination, however on direction of Owner, income may be remitted to Contractor in proportion to the amount of principal disbursed.

Agent will assess a $15.00 monthly maintenance fee if the balance of the account falls below $5,000. No other fees will be assessed against the account.

5. In event of controversy, Agent may, at its option pay over the net sum held by it hereunder as follows:
   (a) Payment by joint authorization: Upon receipt of a joint written authorization executed by Contractor and Owner, Agent shall make distribution in accordance with such written authorization.

   or

   (b) Payment to Owner: Upon receipt from the Owner of a copy of the Architect's certificate pursuant to the General Conditions of the Owner's contract with said architect, showing that the Owner has terminated the employment of the Contractor, Agent shall pay over to the Contractor such sum, if any, as Owner directs and shall pay the balance to the Owner.

   (c) Payment pursuant to court order: Upon receipt of a certified or file-stamped copy of a court order resolving the disputed claim or directing a
specified distribution of all or any portion of said funds, Agent shall make
distribution in accordance with such order.

6. This Agreement and anything done or performed hereunder by either Contractor
or Owner shall not be construed to prejudice or limit the claims which either party
may have against the other arising out of the aforementioned construction agreement.

7. The duties and responsibilities of the Agent shall be limited to those
expressly set forth herein, to hold such money and to pay and deliver to such person
and under such conditions as herein set forth. Agent shall act in good faith
using its best judgment. Agent shall not be liable for any act taken or
omitted in good faith and shall be fully protected when relying on any written notice,
demand, certificate or document which it believes to be genuine.

8. The Owner and the Contractor, and their respective successors and assigns, do
hereby agree to jointly and severally indemnify and hold the Agent, and its affiliates
and their respective officers, employees, directors, shareholders and agents, harmless
from and against any and all manner of demands, actions, causes of action, suits,
claims, liabilities, costs, expenses and attorney fees whatsoever known or unknown,
direct or indirect, at law or in equity, now or hereafter arising out of or in anyway
connected with this Agreement or any matter related thereto, including without
limitation, any cause of action, claim or suit brought by the Owner or the contractor
in connection with the Retainage or the escrow account established hereunder or the
carrying out of the Agent’s duties hereunder. The Agent shall be entitled to charge
the amount owed under this indemnity against the funds held in the escrow account
under this Agreement and/or demand immediate reimbursement from the Owner or
Contractor. This indemnity provision shall survive the termination of this
Agreement and the escrow account established hereunder.

9. This instrument constitutes the entire agreement between the parties
regarding the duties of the Agent with respect to the investment and
payment of escrow funds.

ESCROW ACCOUNT #  103104797

James Babcock, Inc

By: ______________________________

(address)

Monroe County Community School Corp

(By: ______________________________

Address _______315 North Drive

Bloomington IN  47401

Old National Bank

(Agent)

By: ______________________________

Kathy Wendling, V.P.

101 W. Ohio Street, Ste 2200

Indianapolis, IN  46204