

Escrow No. _____

Agency City of Auburn

25 W. Main, Auburn WA 98001-4998

Contract No. _____

ESCROW AGREEMENT

TO:

(Bank Name , Address, Phone)

The Undersigned, **(contractor name and address)**, herein referred to as the Contractor, has directed the City of Auburn, hereinafter referred to as the Agency, to deliver to you its warrants which shall be payable to you and the Contractor jointly. Such warrants are to be held and disposed of by you in accordance with the following instructions and upon the terms and conditions hereinafter set forth.

INSTRUCTIONS

1. Warrants or checks made payable to you and the Contractor jointly upon delivery to you shall be endorsed by you and forwarded for collection. The moneys will then be used by you to purchase, as directed by the Contractor, bonds or other securities chosen by the Contractor and approved by the Agency. Attached is a list of such bonds, or other securities approved by the Agency. Other bonds or securities, except stocks may be selected by the Contractor, subject to express written approval of the Agency. Purchase of such bonds or other securities shall be in a form which shall allow you alone to reconvert such bonds or other securities into money if you are required to do so by the Agency as provided in paragraph 4 of this Escrow Agreement.

2. When and as interest on the securities held by you pursuant to this agreement accrues and is paid, you shall collect such interest and forward it to the Contractor at its address designated in the first paragraph unless otherwise directed by the Contractor.

3. You are not authorized to deliver to the Contractor all or any part of the securities held by you pursuant to this agreement (or moneys derived from the sale of such securities, or the negotiation of the Agency's warrants) except in accordance with written instructions from the Agency. Compliance with such instructions shall relieve you of any further liability related thereto. The estimated completion date on the contract underlying this Escrow Agreement is _____.

4. In the event the Agency orders you to do so in writing, you shall, within thirty-five (35) days of receipt of such order, reconvert into money the securities held by you pursuant to this agreement and return such money together with any other moneys held by you hereunder, to the Agency.

5. The Contractor agrees to pay you as compensation for your services hereunder as follows:

Payment of all fees shall be the sole responsibility of the Contractor and shall not be deducted from any property placed with you pursuant to this agreement until and unless the Agency directs the release to the Contractor of the securities and moneys held hereunder whereupon you shall be granted a first lien upon such property released and shall be entitled to reimburse yourself from such property for the entire amount of your fees as provided for herein above. On the event that you are made a party to any litigation with respect to the property held by you hereunder, or in the event that the conditions of this escrow are not promptly fulfilled or that you are required to render any service not provided for in these instructions, or that there is any assignment of the interests of this escrow or any modification hereof, you shall be entitled to reasonable compensation for such extraordinary services from the Contractor and reimbursement from the Contractor for all costs and expenses, including attorney fees occasioned by such default, delay, controversy or litigation.

6. This agreement shall not be binding until executed by the Contractor and the Agency and accepted by you.

7. This instrument contains the entire agreement between you, the Contractor and the Agency with respect to this escrow and you are not a party to nor bound by any instrument or agreement other than this; you shall not be required to take notice of any default or any other matter nor be bound by nor required to give notice or demand, nor required to take any action whatever except as herein expressly provided; you shall not be liable for any loss or damage not caused by your own negligence or willful misconduct.

8. The forgoing provisions shall be binding upon the assigns, successors, personal representatives and heirs of the parties hereto.

The undersigned have read and hereby approve the instructions as given above governing the administration of this escrow and do hereby execute this agreement on this _____ day of _____, 20__.

(Contractor)

City of Auburn _____
(Agency)

By _____
(Signature)

By _____
(Finance Director, Shelley Coleman)

(Name) (Title)

The above escrow instructions received and accepted this _____ day of _____, 20__.

By _____
(Authorized Bank Officer)

(Name) (Title)

Sample

Securities Authorized by Agency:

- 1) Bills, certificates, notes or bonds of the United States;
- 2) Other obligations of the United States or its agencies;
- 3) Obligation of any corporation wholly-owned by the government of the United States;
- 4) Indebtedness of the Federal National Mortgage Association;
- 5) Time deposits in commercial banks; and
- 6) Savings deposits in commercial banks.

INSTRUCTIONS FOR RETAINAGE ESCROW AGREEMENTS

Whenever possible, use the City approved escrow agreement. This will save review time and speed the process for returning your approved agreement. The City may or may not, at its discretion, accept an agreement from another source.

Please return **all three originals** of the agreement, with completed contractor and bank information and signatures, and the escrow account number. The City will review and sign the agreement and distribute copies. One original will go directly to the Bank, another will be returned to the Contractor.

Fill in the following on the Escrow Agreement:

1. Page 1 - Escrow Number.
2. Page 1 - Name, address and phone number of the bank (following the heading TO).
3. Page 3 - Signature, typed/printed name and title of Contractor and Bank signatories.
4. Page 3 - Date of signature by the Authorized Bank Officer.

Do not fill in the date in the paragraph directly following Item 8 on page 2. The City will fill in this date once the document has been fully executed by City.

DECLINING RETAINAGE ESCROW

If you are not going to set up an escrow account, your firm will be asked to sign a statement to the effect that an opportunity to set up an escrow account was offered and declined. The City will hold the required 5% retainage until all releases are received. No interest will be paid.