

F B. A300



# ESCROW AGREEMENT for RETAINED PERCENTAGE

[Project Name\*]

Escrow No.: \_\_\_\_\_

City of Port Angeles Contract No. \_\_\_\_\_

Completion Date: \_\_\_\_\_

TO: (contractor, and address)

THIS ESCROW AGREEMENT is for the investment of the retained percentage of the above contract, in accordance with chapter 60.28 of the Revised Code of Washington. It is limited to FDIC insured Washington State Chartered Banks who are covered by the State of Washington Public Deposit Protection Act.

The undersigned, \*\*\*\*\* (as "Contractor"), has directed the CITY OF PORT ANGELES (as "City"), to deliver to you its warrants which shall be payable to you and/or the contractor. The warrants are to be held and disposed of by you in accordance with the following instruction:

### INSTRUCTIONS

1. Upon delivery the warrants shall be endorsed by you and forwarded to the City for collection. You shall use the monies to purchase investments selected by the Contractor and approved by the City. You may follow the last written direction received by you from the Contractor, for each purchase, provided the direction otherwise conforms with this agreement. Acceptable investments are:
  - A. Bills, certificates, notes or bonds of the United States;
  - B. Other obligations of the United States or its agencies;
  - C. Obligations of any corporation wholly owned by the Government of the United States;
  - D. Indebtedness of the Federal National Mortgage Association;
  - E. Time deposits in commercial banks;
  - F. Other investments, except stocks, selected by the Contractor, subject to express prior written consent of the City.
2. The investments shall be in a form which allows you alone to reconvert them into money if you are required to do so by the City.
3. The investments must mature on or prior to the date set for the completion of the contract, including extension there of or thirty (30) days following the final acceptance of the work.
4. When interest on the investments accrues and is paid, you shall collect the interest and forward it to the Contractor unless otherwise directed by the Contractor.
5. You are not authorized to deliver to the Contractor all or any part of the investments held by you pursuant to this agreement (or any moneys derived from the sale of such investments, or the negotiation of the City's warrants) **except** in accordance with the written instructions from the City. Compliance with such instructions shall relieve you of any further liability related thereto.
6. In the event the City orders you, in writing, to reconvert the investments and return all monies, you shall do so within thirty (30) days of receipt of the order.
7. The Contractor agrees to compensate you for your services in accordance with your current published schedule of applicable escrow fees. Payment of all fees shall be the sole responsibility of the Contractor and shall not be deducted from any monies placed with you pursuant to this agreement until and unless the City directs the release to the Contractor of the investments and monies held hereunder, whereupon you shall be entitled to reimburse yourself from such monies for the entire amount of your fee.

You shall be entitled to reasonable compensation for extraordinary services from the Contractor and reimbursement from the Contractor for all costs and expenses, including attorney fees in the event you are made a party to any litigation with respect to the monies held by you hereunder; the conditions of this Escrow are not promptly fulfilled; you are required to render any service not provided for in these instructions; or there is any assignment of the interest of this Escrow or any modifications hereof.

8. This agreement shall not be binding until signed by both parties and accepted by you.
9. This document contains the entire agreement between you, the Contractor, and the City, 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.

### CONTRACTOR

Federal Tax I.D. No. \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

DATE: \_\_\_\_\_

### CITY OF PORT ANGELES

By: \_\_\_\_\_

Title: \_\_\_\_\_

DATE: \_\_\_\_\_

THE ABOVE ESCROW AGREEMENT RECEIVED AND ACCEPTED on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

### BANK

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

### DISTRIBUTION:

- City Clerk
- Financial Institution
- Contractor
- File Copy

PW-407\_17 [11/00]