

ESCROW AGREEMENT ATTACHMENT 3:

THIS AGREEMENT (Agreement), made this ____ day of _____, 2024, among the **COUNTY OF LOUDOUN, VIRGINIA, a political subdivision of the Commonwealth of Virginia** ("County") and _____ ("Contractor") and _____ a trust company, bank, or savings and loan institution with its principal office located in Virginia ("hereinafter referred to collectively as "Bank"); and

("Surety"), provides:

I.

The County and the Contractor have entered into a Contract with respect to Construction of the Moorefield Boulevard/Old Ryan Road Emergency Vehicle Traffic Signal and Vinegar Hill Drive Barrier Gates Project No. RFQ 646810 ("Contract"). This Agreement is pursuant to, but in no way amends or modifies, the Contract. Payments made hereunder or the release of funds from escrow shall not be deemed approval or acceptance of performance of the Contractor.

II.

In order to assure full and satisfactory performance by the Contractor of its obligations under the Contract, the County Treasurer is required thereby to retain certain amounts otherwise due the Contractor. The Contractor has, with the approval of the County, elected to have these retained amounts held in escrow by the Bank. This Agreement sets forth the terms of the escrow. The Bank shall not be deemed a party to, bound by, or required to inquire into the terms of the Contract or any other instrument or agreement between the County and the Contractor.

III.

The County shall from time to time pursuant to the Contract pay to the Bank amounts retained by it under the Contract. Except as to amounts actually withdrawn from escrow by the County, the Contractor shall look solely to the Bank for the payment of funds retained under the Contract and paid by the County to the Bank.

The risk of loss by the diminution of the principal of any funds invested under the terms of the Contract shall be solely upon the Contractor.

Funds and securities held by the Bank pursuant to this escrow Agreement shall not be subject to levy, garnishment, attachment, lien, or other process whatsoever. Contractor agrees not to assign, pledge, discount, sell or otherwise transfer or dispose of its interest in the escrow account or any part thereof, except to the Surety.

IV.

Upon receipt of checks or warrants drawn by the County Treasurer and made payable to it as escrow agent, the Bank shall promptly notify the Contractor, negotiate the same deposit or invest and reinvest the proceeds in approved securities in accordance with the written instructions of the Contractor. In no event shall the Bank invest the escrowed funds in any security not approved.

V.

The following securities, and none other, are approved securities for all purposes of this Agreement:

- (1) United States Treasury Bonds, United States Treasury Notes, United States Treasury Certificates of Indebtedness or United States Treasury Bills.
- (2) Bonds, notes and other evidence of indebtedness unconditionally guaranteed as to the payment of principal and interest by the United States,
- (3) Bonds or notes of the County of Loudoun,
- (4) Bonds of any political subdivision of the Commonwealth of Virginia, if such bonds carried, at the time of purchase by the Bank or deposit by the Contractor, a Standard and Poor's or Moody's Investors Service rating of at least "A," and
- (5) Certificates of deposit issued by commercial Banks located within the Commonwealth of Virginia, including, but not limited to, those insured by the Bank and its affiliates,
- (6) Any bonds, notes or other evidences of indebtedness listed in Sections (1) through (3) may be purchased pursuant to a repurchase agreement with a bank, within or without the Commonwealth of Virginia having a combined capital, surplus and undivided profit of not less than \$25,000,000, provided the obligation of the Bank to repurchase is within the time limitations established for investments as set forth herein. The repurchase agreement shall be considered a purchase of such securities even if title, and/or possession of such securities is not transferred to the Escrow Agent, so long as the repurchase obligation of the Bank is collateralized by the securities themselves, and the securities have on the date of the repurchase agreement a fair market value equal to at least 100% of the amount of the repurchase obligation of the Bank, and the securities are held by a third party, and segregated from other securities owned by the Bank.

No security is approved hereunder which matures more than five (5) years after the date of its purchase by the Bank or deposit by the Contractor.

VI.

The Contractor may from time to time withdraw the whole or any portion of the escrowed funds by depositing with the Bank approved securities in an amount equal to, or in excess of, the amount so withdrawn. Any securities so deposited or withdrawn shall be valued at such time of deposit or withdrawal at the lower of par or market value, the latter as determined by the Bank. Any securities so deposited shall thereupon become a part of the escrowed fund.

Upon receipt of a direction signed by the Loudoun County Purchasing Agent, the Bank shall pay the principal of the fund, or any specified amount thereof, to the Treasurer of Loudoun County for deposit to the appropriate fund and account within the County's approved accounting structure. Such payment shall be made in cash as soon as is practicable after receipt of the direction.

Upon receipt of a direction signed by the Loudoun County Purchasing Agent, the Bank shall pay and deliver the principal of the fund, or any specified amount thereof, to the Contractor, in cash or in kind, as may be specified by the Contractor. Such payment and delivery shall be made as soon as is practicable after receipt of the direction.

VII.

For its services hereunder, the Bank shall be entitled to a reasonable fee in accordance with its published schedule of fees or as may be agreed upon by the Bank and the Contractor. Such fee and any other costs of administration of this Agreement shall be paid from the income earned upon the escrowed fund and, if such income is not sufficient to pay the same, by the Contractor.

VIII.

The net income earned and received upon the principal of the escrowed fund shall be paid over to the Contractor in quarterly or more frequent installments. Until so paid or applied to pay the Bank's fee or any other costs of administration, such income shall be deemed a part of the principal of the fund.

IX.

The Surety undertakes no obligation hereby but joins in this Agreement for the sole purpose of acknowledging that its obligations as surety for the Contractor's performance of the Contract are not affected hereby.

[SIGNATURES ON THE FOLLOWING PAGE]

WITNESS the following signatures, all as of the day and year first above written.

COUNTY OF LOUDOUN, VIRGINIA

CONTRACTOR

Director, Department of
Finance and Procurement

Officer, Partner or Owner

Bank

SURETY

Title

Title

Address

Address