

ASSIGNMENT OF CERTIFICATE OF DEPOSIT FOR PAVEMENT DEFECT BOND

This Assignment made and entered into by and among \_\_\_\_\_  
("Developer"), the County of Henrico, Virginia, a political subdivision of the Commonwealth of  
Virginia ("County"), and \_\_\_\_\_ ("Bank") provides as follows:

1. The Developer owns a certain parcel of real estate located in Henrico County,  
Virginia, described as Exhibit A attached hereto (the "Property"), which real estate has been  
developed as a residential subdivision or plan of development known as \_\_\_\_\_  
\_\_\_\_\_ ; and

2. The Developer has entered into a contract ("Contract") with certain  
Subcontractors ("Subcontractors") by which the Subcontractors will construct the streets in  
accordance with requirements of the Code of Henrico County, Virginia, and conditions imposed  
hereunder by the Department of Planning (all of which are collectively referred to herein as the  
"Requirements"); and

3. In connection with its approval of development of the Property, the County  
desires to obtain security, through the assignment of certain funds evidenced by a Certificate of  
Deposit held at the Bank, for the development of the Property in accordance with the  
Requirements:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the  
parties agree as follows:

1. *Assignment of Certificate of Deposit.* The Developer hereby irrevocably assigns to  
the County all of its right, title, and interest in and to funds represented by a Certificate of  
Deposit in the face amount of \$ \_\_\_\_\_ issued by the Bank, copies of  
which are attached hereto as Exhibit B ("Certificate"), as security for the work required by the

Requirements. The Certificate shall be held by the Bank as escrow agent for the County. The Bank shall hold the Certificate and its principal amount for the benefit of the County. The Bank shall not release the Certificate to the Developer or other third party unless directed by the Director of Planning or his designee pursuant to the terms and conditions set forth in this Assignment.

2. *Payment of Assigned Proceeds.* If the Developer does not complete the work in accordance with the Requirements, then the funds evidenced by the Certificate shall be paid directly by the Bank to the County. As a condition precedent to receiving funds assigned hereunder, the County shall provide the Bank with a certified statement, signed by the Director of Planning or his designee, stating that the Developer has failed to satisfactorily complete the Requirements. Upon receipt of such certified statement, the Bank will be unconditionally obligated to release the funds to the County. Upon receipt of such funds from the Bank, the County shall forthwith apply same for the sole and exclusive purpose of completing the Requirements and upon completion of such work shall promptly return all unused amounts to the Developer.

3. *Termination.* This Assignment shall terminate and be of no further force and effect on the date that the Requirements are completed, as evidenced by a certified statement signed by the Director of Planning or his designee verifying that the Developer has satisfactorily completed all work and authorizing all funds assigned hereunder to be returned to the Developer. If the work is not completed at the end of the term of the Certificate, the Certificate shall be renewed without reduction.

4. *Warranties.* The Bank warrants that there are no legal or equitable defenses currently available to the Bank that might affect the County's ability to use proceeds of the

Certificate for the purpose of completing the work. The Developer warrants that there are no defects or prior liens incumbent on the Property.

5. *Effect of Assignment.* Nothing herein shall be construed to relieve the Developer of its independent legal obligation to complete the Requirements.

6. *Interpretations.* This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia and shall be binding on the parties, their successors and assigns.

WITNESS the following signatures and seals all as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Bank) \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

(Developer) \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

County of Henrico, Virginia

By \_\_\_\_\_

Director of Planning

Approved as to form:

\_\_\_\_\_

County Attorney (or designee)