

ASSIGNMENT FOR SUBDIVISION 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, which real estate is contemplated to be further developed as a single family residential subdivision ("Property"), known as _____.

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

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, against all loss, cost, damage or expense incurred in the repair and/or replacement of roadway pavement, underlying base material and structures, curb and gutter, driveway entrances, storm sewers, roadway shoulders, and side ditches ("Improvements") from damage or deterioration which occurs within the boundaries of the public right of way and/or public drainage easement, or for damage to such Improvements occurring, appearing or manifesting itself within the one (1) year period described herein.

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

1. Assignment of Certificates 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 maintenance of the Improvements. 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 official of the County charged with the enforcement of the Requirements pursuant to the terms and conditions set forth in this Assignment.

2. Payment of Assigned Proceeds. If the Developer does not complete, construct, repair and maintain the Improvements in accordance with the Requirements within one (1) year of the date of this assignment, then the funds evidenced by the Certificate shall be paid directly by the Bank to the County. As a condition precedent to receiving the funds assigned hereunder, the County shall provide the Bank with a certified statement, signed by an official charged with the enforcement of Requirements, stating that the Developer has failed to satisfactorily repair and maintain the Improvements in accordance with 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 maintenance of the Improvements, and upon completion of such Improvements, shall promptly return all unused amounts thereof to the Developer.

3. Termination. This Assignment shall terminate and be of no further force and effect on the date upon which maintenance of all Improvements has been completed and accepted in accordance with the Requirements, as evidenced by a certified statement signed by an official charged with the enforcement of the Requirements stating that the Developer has satisfactorily repaired and maintained all Improvements required by this Agreement and authorizing all funds assigned hereunder to be returned to the Developer.

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 repair or maintenance of the Improvements. The Developer warrants that there are no defects or prior liens incumbent on the properties.

5. Effect of Assignment. Nothing herein shall be construed to relieve the Developer of its independent legal obligation to complete and maintain the Improvements.

6. Interpretations. This Assignment shall be governed by and construed in accordance with the laws of 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 _____.

(Bank)

By _____
Title

(Developer)

By _____
Title

COUNTY OF HENRICO, VIRGINIA

By _____
Director of Public Works/County Engineer

Approved as to form:

Assistant County Attorney