



**ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WASTE MANAGEMENT
200 FAIR OAKS, 2ND FLOOR
FRANKFORT, KY 40601
TELEPHONE NUMBER (502) 564-6716**

ESCROW AGREEMENT

THIS AGREEMENT, made, executed, and delivered this the ___ day of _____, 20___, by and between _____, as Registrant, and _____, and the Energy and Environment Cabinet (hereinafter Cabinet).

WITNESSETH:

WHEREAS, Registrant desires to obtain a certification to provide decontamination services for methamphetamine decontamination of inhabitable properties in the Commonwealth of Kentucky; and

WHEREAS, the laws of the Commonwealth require a financial guarantee be posted to insure proper methamphetamine decontamination services of inhabitable properties to guarantee

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performance of the requirements in KRS Chapter 224.01-410 and any regulations promulgated pursuant thereto, and

WHEREAS, the Registrant desires to meet the bonding requirements to ensure proper methamphetamine decontamination services of inhabitable properties pursuant to the requirements of KRS 224.01-410 and any regulations promulgated pursuant thereto in the Commonwealth of Kentucky by executing such financial guarantee and posting surety in the sum of _____ thousand dollars (\$_____,000.00) with the Cabinet to be held by Escrow Agent, which sum is hereby acknowledged by the Cabinet to be sufficient and acceptable for this registration; and

WHEREAS, such sum shall be placed in the safe custody of the Escrow Agent and the Agent is directed to purchase certificates of deposit of the _____ (name of bank), which certificates of deposit are hereinafter referred to as The Certificates, and are more fully described as follows, to wit:

CERTIFICATE NO.	DATE OF ISSUANCE	PRINCIPAL AMOUNT
1.		
2.		
3.		
4.		

AND WHEREAS, this Agreement is a supplement to the financial guarantee filed by the Registrant to obtain a certification to provide decontamination services for methamphetamine decontamination of inhabitable properties.

NOW, THEREFORE, in consideration of the premises set forth herein, the parties hereto mutually agree as follows:

1. The Escrow Agent hereby acknowledges receipt of The Certificates above listed, to be safely and securely kept for the stated purposes of this Agreement and subject to the terms and conditions herein, and hereby binds itself to perform completely under the terms of this Agreement and to dispose of The Certificates or the proceeds only as provided herein. The Escrow Agent further agrees to exercise due care in the safekeeping and delivery of The Certificates;

2. The parties agree The Certificates or any subsequent Certificates are and shall be made payable in favor of the Escrow Agent only and the parties further agree that until such time as the Cabinet orders that the financial guarantee for the registration be forfeited or until such time as the financial guarantee is released, all interest accruing on The Certificates shall be disposed of in accordance with paragraphs 4 and 5 of this Agreement;

3. The parties agree that the Escrow Agent is hereby authorized and directed to insure that The Certificates remain in full force during the term of this Agreement and the Escrow Agent may, upon notice to all parties, and upon the maturity of The Certificates, issue new Certificates of face value equal to the outstanding amount of the bond. In the event of such issuance, the new Certificates shall replace The Certificates herein for all purposes and shall be subject to the conditions of this Agreement;

4. Any interest accruing on The Certificates shall be held by the Escrow Agent until such time as the financial guarantee has been released or forfeited or The Certificates have matured and been replaced by new Certificates. No interest shall be paid to the Registrant on any Certificate until such time as the Certificate matures or a full release has been obtained from the

Cabinet or until the financial guarantee has been forfeited and any penalty resulting from the cashing of the Certificate has been satisfied;

5. In the event of forfeiture of the financial guarantee herein and upon the Cabinet's written notice of such forfeiture to the Escrow Agent, the Escrow Agent shall promptly cash The Certificates and forward to the Cabinet a Cashier's Check in the outstanding amount of the financial guarantee, pay any penalties which result from the cashing of The Certificates from the interest accrued thereon, and remit any remaining interest and principal to the Registrant;

6. The parties agree that neither the Escrow Agent nor the Cabinet shall be liable for any loss of interest which may result to the Registrant as a result of an Order of Forfeiture;

7. The Escrow Agent shall not be liable for inquiring whether there has been performance by the Registrant or to see the application of any monies paid on the instruction of the Cabinet and in such matters the Escrow Agent may rely upon the instructions of the Cabinet executed by the Secretary of the Cabinet, his designee, or his successor or the successor agency as provided by law. The Escrow Agent need not verify the apparent authority of an agent of the Cabinet in carrying out the Cabinet's instructions. Nothing herein shall prevent the Cabinet from designating a person authorized to act for it in any other lawful manner;

8. That for value received the Registrant does hereby assign, transfer, and set over to the Cabinet all right, title, and interest which the Registrant may have in The Certificates. The parties agree that The Certificates are being held solely for the benefit of the Cabinet and that the Registrant has relinquished all right, title, and interest to The Certificates as provided herein. The Registrant may not pledge or encumber in any manner The Certificates or any renewal certificates, or the interest due thereon, so long as the same are subject to the conditions of the financial guarantee contained in this agreement;

9. The Cabinet agrees that upon completion of proper decontamination services of methamphetamine contaminated inhabited properties pursuant to KRS 224.01-410 and any regulations promulgated pursuant thereto, the Cabinet shall release the financial guarantee herein and promptly notify the Escrow Agent and the Registrant of such release;

10. It is agreed, as between the parties, that in the event the Escrow Agent closes or goes into receivership, any Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration insurance proceeds paid on, to, or as a result of The Certificates, shall first be applied to cover The Certificates;

11. The parties agree that the Escrow Agent shall be the Cabinet's agent for holding The Certificates for the purpose of perfecting the Cabinet's security interest in those Certificates under KRS Chapter 355;

12. This agreement shall be binding upon the successors and assigns of the respective parties; and

13. Upon receipt by the Escrow Agent of written notification by the Cabinet of the forfeiture or the release of the financial guarantee herein, and disbursement pursuant to this agreement by the Escrow Agent of written notification by the Cabinet of the forfeiture or the release of the financial guarantee herein, and disbursement pursuant to this agreement by the Escrow Agent of The Certificates or the proceeds and any interest accrued thereon, the Escrow Agent shall be discharged of any and all duties and liabilities arising out of or as a result of this Agreement.

This Escrow Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky. Venue for any litigation concerning this Escrow Agreement shall be in Franklin Circuit Court, Commonwealth of Kentucky.

SIGNED, SEALED, AND DELIVERED, the day and date first above written by the appropriately authorized officers.

REGISTRANT: _____

BY: _____ **DATE** _____

TITLE: _____

ESCROW AGENT: _____

BY: _____ **DATE** _____

TITLE: _____

NOTE: A copy of the corresponding Performance Agreement Form #6079D must be attached to this form.