

ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

P.C.C. §22300

THIS ESCROW AGREEMENT ("Escrow Agreement") is made and entered into this _____ day of _____, 20____, by and between the ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, acting by and through its ZONE 7 WATER AGENCY (hereinafter called the "District"), whose address is 100 North Canyons Parkway, Livermore, California 94551; _____ ("Contractor"), whose place of business is located at _____; and [District, as escrow agent or [_____] , a state or federally chartered bank in the State of California, whose place of business is located at _____] ("Escrow Agent").

For the consideration hereinafter set forth, District, Contractor and Escrow Agent agree as follows:

1. Pursuant to Section 22300 of Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by District pursuant to Project Number _____ entered into between District and Contractor for the [Project Name] _____ in the amount of [_____] dated [_____] (the "Contract"). Alternatively, on written request of Contractor, District shall make payments of the retention earnings directly to Escrow Agent. When Contractor deposits the securities as a substitute for Contract earnings, Escrow Agent shall notify District within ten Days of the deposit. The market value of the securities at the time of substitution shall be at least equal to the cash amount then required to be withheld as retention under terms of Contract between District and Contractor. Securities shall be held in name of _____, and shall designate Contractor as the beneficial owner.
2. District shall make progress payments to Contractor for those funds which otherwise would be withheld from progress payments pursuant to Contract provisions, provided that Escrow Agent holds securities in form and amount specified in paragraph 1 of this Document 00680.
3. When District makes payment(s) of retention earned directly to Escrow Agent, Escrow Agent shall hold said payment(s) for the benefit of Contractor until the time that the escrow created under this Escrow Agreement is terminated. Contractor may direct the investment of the payments into securities. All terms and conditions of this Escrow Agreement and the rights and responsibilities of the parties shall be equally applicable and binding when District pays Escrow Agent directly.
4. Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account, and all expenses of District. Such expenses and payment terms shall be determined by District, Contractor, and Escrow Agent.

5. Interest earned on securities or money market accounts held in escrow and all interest earned on that interest shall be for sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to District.
6. Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from District to Escrow Agent that District consents to withdrawal of amount sought to be withdrawn by Contractor.
7. District shall have the right to draw upon the securities in event of default by Contractor. Upon seven Days written notice to Escrow Agent from District of the default, Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by District.
8. Upon receipt of written notification from District certifying that the Contract is final and complete, and that Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.
9. Escrow Agent shall rely on written notifications from District and Contractor pursuant to paragraphs 5 through 8, inclusive, of this Document 00680 and District and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of securities and interest as set forth.
10. Names of persons who are authorized to give written notice or to receive written notice on behalf of District and on behalf of Contractor in connection with the foregoing, and exemplars of their respective are as follows:

On behalf of District:

Title

Name

Signature

Address

City/State/Zip

On behalf of Contractor:

Title

Name

Signature

Address

City/State/Zip

On behalf of Escrow Agent:

Title

Name

Signature

Address

City/State/Zip

At the time the Escrow Account is opened, District and Contractor shall deliver to Escrow Agent a fully executed counterpart of this Document 00680.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement by their proper officers on the date first set forth above.

District

Contractor

Title

Title

Name

Name

Signature

Signature

Escrow Agent

Title

Name

Signature

END OF DOCUMENT