

## SECTION 00 63 30

ESCROW AGREEMENT FOR  
SECURITY DEPOSITS IN LIEU OF RETENTION

This Escrow Agreement is made and entered into by and between the CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, whose address is 525 Golden Gate Avenue, 8th Floor, San Francisco, California 94102, hereinafter called "City" and,

whose address is \_\_\_\_\_

\_\_\_\_\_, hereinafter called "Contractor"

and \_\_\_\_\_

whose address is \_\_\_\_\_, hereinafter called "Escrow Agent."

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

1. Pursuant to section 22300 of the California Public Contract Code, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by the City pursuant to the construction contract entered into between the City and Contractor for 45th Ave, 46th Ave, 47th Ave, Vicente St, Wawona St and Sloat Blvd Sewer Replacement, Contract No. WW-684 in the amount of \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter referred to as the "Contract"). Alternatively, on written request of Contractor, the City 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 the City within 10 days of the deposit. The market value of the securities at the time of substitution shall be equal to the cash amount then required to be withheld as retention under the terms of the Contract between the City and Contractor. Securities shall be held in the name of CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, and shall designate Contractor as the beneficial owner.
2. The City shall make progress payments to Contractor for such funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that Escrow Agent holds securities in the form and amount specified above.
3. When the City makes payment of retentions earned directly to Escrow Agent, Escrow Agent shall hold them for the benefit of Contractor until such time as the escrow created under this Contract 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 the City 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 the City. These expenses and payment terms shall be determined by the City, Contractor, and Escrow Agent.

5. The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the City.
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 the City to Escrow Agent that the City consents to the withdrawal of the amount sought to be withdrawn by Contractor.
7. The City shall have the right to draw upon the securities in the event of default by Contractor. Upon seven days' written notice to Escrow Agent from the City of the default, Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the City.
8. Upon receipt of written notification from both City Representatives listed in section 10 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 the written notifications from the City and Contractor pursuant to sections 1 to 8, inclusive, of this Escrow Agreement, and the City and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.
10. The persons authorized to give written notice or to receive written notice on behalf of the City and on behalf of Contractor in connection with the foregoing are as follows:

a. On behalf of the City:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

and:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

b. On behalf of Contractor:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

## c. On behalf of Escrow Agent:

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(Signature)

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(Title)

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(Name)

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(Address)

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

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

CITY AND COUNTY OF  
SAN FRANCISCO:

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Chief Financial Officer

Approved as to form:  
David Chiu  
City Attorney

By: \_\_\_\_\_  
Deputy City Attorney

ESCROW AGENT:

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(Signature)

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(Name)

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(Title)

CONTRACTOR:

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(Signature)

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(Name)

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(Title)

***Note: Contractor shall submit 3 original executed copies of this section to the City.***

END OF SECTION