

SECURITY DEPOSIT IN LIEU OF RETENTION

ESCROW AGREEMENT

This Escrow Agreement is made and entered into by and between **Burbank Unified School District**, whose address is 1900 W. Olive Avenue, Burbank, CA 91506, hereinafter called "DISTRICT",

_____, whose address is _____, hereinafter called "Contractor", and _____, whose address is _____, hereinafter called "Escrow Agent".

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

1. Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with the Escrow Agent as a substitute for retention earnings required to be withheld by DISTRICT pursuant to the Agreement entered into between the DISTRICT and Contractor for _____ in the amount of \$ _____, dated _____, 20____ (hereinafter referred to as the "Agreement"). Alternatively, upon written request of the Contractor, the DISTRICT shall make payments of the retention earnings directly to the Escrow Agent. When Contractor deposits the securities as a substitute for retention earnings, the Escrow Agent shall notify the DISTRICT within 10 days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Agreement between the DISTRICT and Contractor. Securities shall be held in the name of:

_____ and shall designate the Contractor as the beneficial owner.

2. The DISTRICT shall make progress payments to the Contractor for these funds which otherwise would be withheld from progress payments, provided that the Escrow Agent holds securities in the form and amount specified above.
3. When the DISTRICT makes payments of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time the escrow created under this Escrow Agreement is terminated. The 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 DISTRICT pays the Escrow Agent directly.

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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 DISTRICT. These expenses and payment terms shall be determined by the DISTRICT, 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 the Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the 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 the DISTRICT to the Escrow Agent that DISTRICT consents to the withdrawal of the amount sought to be withdrawn by Contractor.
7. The DISTRICT shall have the right to draw upon the securities in the event of default by the Contractor. Upon seven days' written notice to the Escrow Agent from the DISTRICT of the default, the Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the DISTRICT.
8. Upon receipt of written notification from the DISTRICT certifying that the Agreement is final and complete and that the Contractor has complied with all requirements and procedures applicable to the Agreement, 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 monies and securities on deposit and payments of fees and charges.
9. Escrow Agent shall rely on the written notifications from the DISTRICT and the Contractor pursuant to Sections (6) to (8), inclusive of this Escrow Agreement and the DISTRICT 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 names of the persons who are authorized to give written notice or to receive written notice on behalf of the DISTRICT and on behalf of Contractor in connection with the foregoing, the exemplars of their respective signatures are as follows:



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On behalf of DISTRICT:

Signature

Name Title

Address City, State ZIP

On behalf of Contractor:

Signature

Name Title

Address City, State ZIP

On behalf of Escrow Agent:

Signature

Name Title

Address City, State ZIP

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