

ESCROW AGREEMENT FOR  
DEPOSITS IN LIEU OF RETENTION

This Escrow Agreement is made and entered into by and between the County of El Dorado, Department of General Services whose address is 360 Fair Lane, Placerville, CA 95667 hereinafter called "Owner," R. T. English Construction Company Inc. whose address is 2140 Walnut Avenue, Rescue, CA 95672 hereinafter called "Contractor," and Wells Fargo Bank whose address is 3510 Palmer Drive, Cameron Park, CA 95682 hereinafter called "Escrow Agent."

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

- (1) Pursuant to Section 22300 of the Public Contract Code of the State of California, the Contractor has the option to deposit funds or securities with the Escrow Agent as a substitute for retention earnings required to be withheld by the Owner pursuant to the Construction Contract entered into between the Owner and Contractor for the El Dorado County Cameron Park Courthouse ADR Modular Building- Sitework project in the amount of \$ 218,709.00 (Two Hundred Eighteen Thousand Seven Hundred Nine Dollars) dated January 29, 2008 with a Notice to Proceed dated April 1, 2008 (hereafter referred to as the "Contract"). Securities eligible for investment shall include those listed in Section 16430 of the Government Code, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by the Contractor and the Owner. Alternatively, on written request of the Contractor, the Owner shall make payments of the retention earnings directly to the Escrow Agent.

When the Contractor deposits the funds or securities as a substitute for the contract earnings, the Escrow Agent shall notify the owner within 10 days of the deposit. The market value of the funds or 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 Contract between the Owner and Contractor. The funds or securities shall be held in the name of the County of El Dorado and shall designate the Contractor as the beneficial owner.

- (2) The Owner shall make progress payments to the Contractor for those funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds funds or securities in the form and amount specified above in the second paragraph of section (1).

- (3) When the Owner makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time that the escrow created under this Contract is terminated. The Contractor may direct the investment of the payments into funds or securities. All terms and conditions of this Agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the Owner pays the Escrow Agent directly.
- (4) The Contractor shall be responsible for paying all fees for the expenses incurred by the Escrow Agent in administering the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor, and Escrow Agent.
- (5) The interest earned on the funds or 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 Owner.
- (6) The Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to the Escrow Agent accompanied by written authorization from the Owner to the Escrow Agent that the Owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.
- (7) The Owner shall have a right to draw upon the funds or securities in the event of default by the Contractor. Upon seven days' written notice to the Escrow Agent from the Owner of the default, the Escrow Agent shall immediately convert the funds or securities to cash and shall distribute the cash as instructed by the Owner.
- (8) Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, the Escrow Agent shall release to the Contractor all funds or 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 funds or securities on deposit and payments of fees and charges.
- (9) The Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections (5) to (8), inclusive, of this Agreement and the Owner and Contractor shall hold the Escrow Agent harmless from the Escrow Agent's release, and disbursement of the funds or securities and interest as set forth above.
- (10) The County Officer or employee with responsibility for administering this Agreement is George W. Sanders, Interim Director of General Services, or successor.

(11) The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of the Contractor in connection with the foregoing, and examples of their respective signatures are as follows:

On behalf of the Owner:

Interim Director of General Services  
Title

George W. Sanders  
Name

\_\_\_\_\_  
Signature

360 Fair Lane  
Placerville, CA 95667  
Address

On behalf of the Contractor:

President  
Title

H. Jeanne English  
Name

\_\_\_\_\_  
Signature

2140 Walnut Avenue  
Rescue, CA 95672  
Address

On behalf of the Escrow Agent:

\_\_\_\_\_  
Title  
Brian SAlsburg  
Name

\_\_\_\_\_  
Signature

3510 Palmer Drive  
Cameron Park, CA 95682  
Address

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

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

Requesting Department Concurrence:

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
George W. Sanders  
Interim Director  
Department of General Services

-- COUNTY OF EL DORADO --

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Chairman  
Board of Supervisors  
"Owner"

Attest:  
Clerk of the Board of Supervisors

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Deputy Clerk

-- R. T. ENGLISH CONSTRUCTION COMPANY I N C. --

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
H. Jeanne English  
President  
"Contractor"

Attest:

By: \_\_\_\_\_  
Typed name: \_\_\_\_\_  
Corporate Secretary