

# **ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION**

This Escrow Agreement is made and entered into by and between *the City of Long Beach*, whose address is 333 W. Ocean Blvd., Long Beach, Ca. 90802, hereinafter called "Owner"; *Powell Constructors, Inc.* whose address is 8555 Banana Ave., Fontana, Ca 92335, hereinafter called "Contractor"; and American Business Bank, whose address is 3633 Inland Empire Blvd., Suite 720, Ontario, Ca. 91764, 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, Contractor has The option to deposit securities with Escrow Agent as a substitute for retention earnings required to Be withheld by Owner pursuant to the Construction Contract entered into between the Owner and Contractor for Construction of the "Convention Center-Performing Arts Center Pedestrian Bridge on Seaside Way", "Project No. R-6942", dated 3/01/2016, in the Amount of \$ 8,636,496.00, Hereinafter the "Contract."  
Alternatively, on written request of the Contractor, the Owner shall make payments of the retention earnings Directly to the escrow agent. When Contractor deposits the securities as substitute for Contract earnings, Escrow Agent shall notify Owner within 10 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 the terms of the Contract between the Owner and Contractor. Securities shall be held in the name of AltaPacific Bank, 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 securities in the form and amount specified above.
- (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 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) 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 Owner. These expenses and payment Terms shall be determined by the Owner, 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 Owner.
- (6) Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account Only be written notice to 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 with- Drawn by Contractor.
- (7) The Owner shall have a 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 Owner of the default, the Escrow Agent shall immediately convert the 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 Contractor all securities and interest on deposit Less escrow fees and charges of the Escrow Agent. The escrow shall be closed immediately upon Disbursement of all moneys and 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 Section (5) to (8), inclusive, of this agreement and the Owner 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 Owner and on behalf of the Contractor in connection with the foregoing, and Exemplars of their respective signatures are as follows:

**On behalf of Owner:**

**City of Long Beach**

**Director of Public Works**

Title

**Craig Beck**

Name

Signature & Date

333 W. Ocean Blvd.

Address

Long Beach, Ca. 90802

**On behalf of Contractor:**

**Powell Constructors, Inc.**

President

Title

Michael B. Powell

Name

Signature & Date

8555 Banana Ave.

Address

Fontana, CA 92335

APPROVED AS TO FORM

May 19, 2016  
CHARLES PARKIN, City Attorney

By [Signature]  
DEPUTY CITY ATTORNEY

**On behalf of Escrow Agent:**

**American Business Bank**

Vice President & Sr. Relationship Manager

Title

Daniel J. Reid

Name

Signature & Date

Address

3633 Inland Empire Blvd., Suite 720, Ontario, Ca. 91764

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 date first set forth above.

**Owner: City of Long Beach**

**Craig Beck, Director of Public Works**

Name & Title

Signature & Date

**Contractor: Powell Constructors, Inc.**

President-Michael B. Powell

Name & Title

Signature & Date

APPROVED AS TO FORM

May 19, 2016  
CHARLES PARKIN, City Attorney

By [Signature]  
DEPUTY CITY ATTORNEY