



The Honorable Board of Supervisors

RE: Escrow Agreement for Security Deposits in Lieu of Retention among the County, Yeager Skanska Inc. and Union Bank of California in conjunction with the Jefferson Street construction project in the Indio and La Quinta area

July 25, 2005

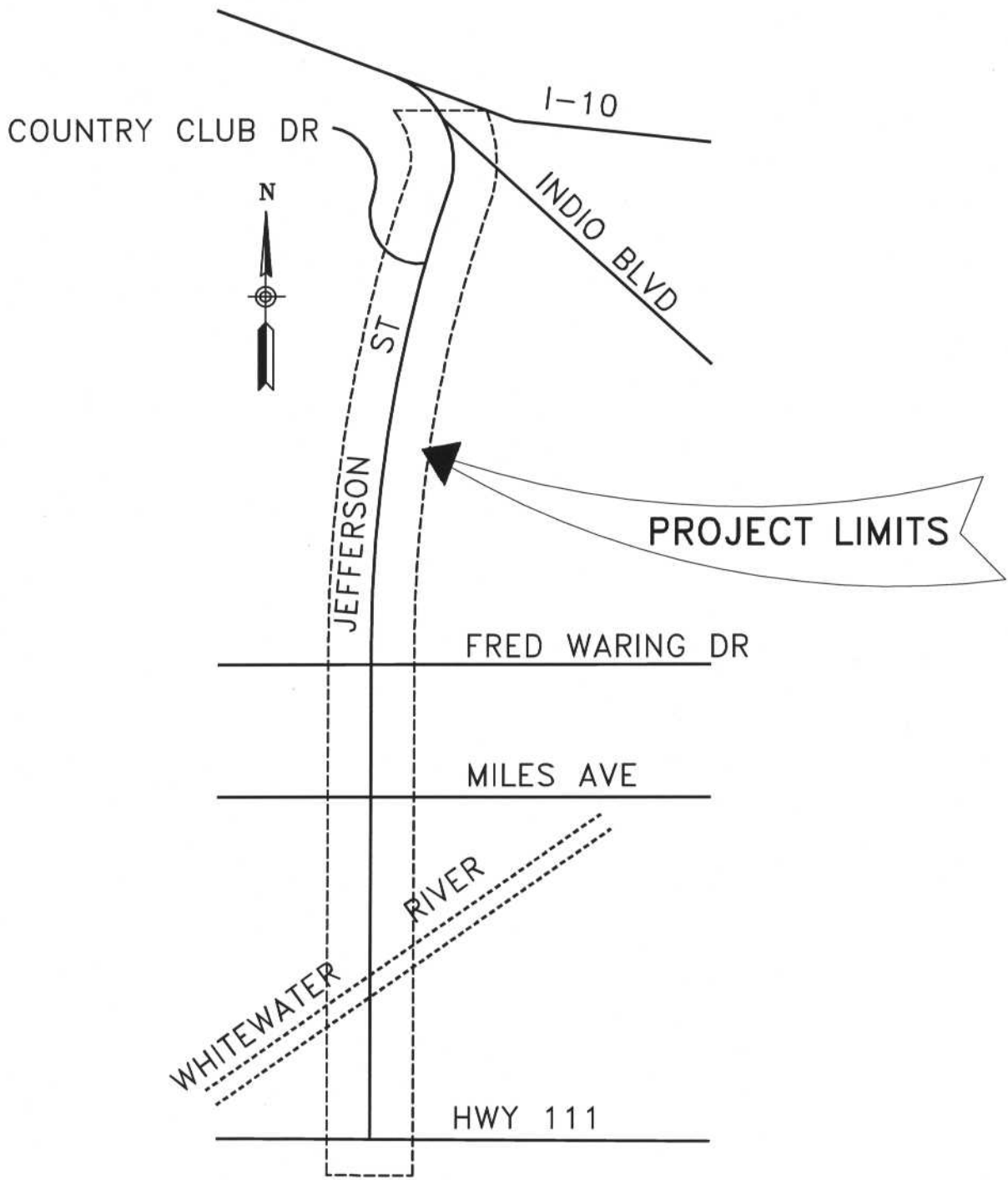
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22300 of the Public Contract Code, the contractor has requested that the County execute an Escrow Agreement for Security Deposits in Lieu of Retention. As requested by the Contractor, the terms of the agreement are that the County will make payments of the retention earnings directly to the escrow agent.

The County will have the ability to draw upon the security deposits in the event of default by the contractor. This enables the contractor to earn interest on his funds while providing protection to the County in the event of default.

Interest earned on the retention payments held in escrow are subject to withdrawal by the contractor. The payment of retentions will be held by the Escrow Agent for the benefit of the contractor until the time the escrow, created under this contract, is terminated. Upon receipt of written notification by the County to the Escrow Agent that the contract is final and complete, all retention payments and interest earned will be released to the contractor.

Project nos. B2-0473.



**PROJECT LOCATION**

NOT TO SCALE