

Construction Management Procedures
SECTION 20
ESCROW AGREEMENT

Reference “Updated January 2020 The Escrow Agreement Process,” created March 2003
SUAM Section 9804

In March 2003, the State Treasurer’s Office (STO) staff and CSU staff collaborated to create a comprehensive procedures manual for the escrow agreement process. It provides detailed process from both the STO and CSU. Therefore, we defer to that manual for process information and resources.

Note: There have been staffing changes in the State Treasurer’s Office. CSU’s point of contact for escrow agreements is as follows:

Ms. Robin Deller
Securities Management Division
State Treasurer’s Office
Phone: (916) 653-4032
Email: robin.deller@treasurer.CA.gov
General Email: clearance@treasurer.ca.gov

Pages 3-6 of the Escrow Agreement Process manual have been changed to reflect updates in SUAM, California Codes, and STO Contact Information.

Attachment:

- “The Escrow Agreement Process”

THE ESCROW AGREEMENT PROCESS

**FOR CALIFORNIA STATE UNIVERSITY
MAJOR CAPITAL OUTLAY PROJECTS**

Presented by Staff from:

THE OFFICE OF THE STATE TREASURER



AND

THE CALIFORNIA STATE UNIVERSITY



March, 2003
Revised January, 2020

The Escrow Agreement Process

TABLE OF CONTENTS

<u>Topic</u>	<u>Page No.</u>
Overview.....	1
Opening an Escrow Account	9
Depositing and Releasing Eligible Securities.....	27
Monthly Reports	37
Contract Retention Payments.....	51
Closing the Escrow	55

OVERVIEW

To ensure performance under a contract, the Trustees shall retain no less than five (5%) percent of the contract price (including change orders), until final completion and acceptance of the project by the Trustees (Public Contract Code, Section 10851).

The Trustees may hold the retention in the following three ways:

- 1) The Trustees shall process the Contractor's partial payment requests, retaining not less than five (5%) percent of each partial payment request, and hold the retention funds in the contract account. After the project is 100% complete, and if there are no stop notices, labor commissioner withholds or claims against the Contractor or the project, the Trustees may process the final retention payment request to the Contractor.
- 2) The Trustees may allow the Contractor to establish an escrow account. When there is an escrow agreement, the Trustees will process all partial payment requests, and process retention payments to the Contractor, but only after confirming that the Contractor has deposited sufficient securities with the State Treasurer's Office (STO).

Rarely, the Trustees may opt not to authorize an escrow agreement if specific reasons exist related to a contractor's performance or if there are unique circumstances with a project. Reasons such as staff workload are not valid reasons to disallow a contractor to utilize an escrow agreement.

- 3) The Trustees may combine the above two options. This may occur near the completion of a project, and the Trustees may establish a cut-off point when the Contractor is not required to deposit additional securities with the STO. Instead, the Trustees will process the remaining partial payment requests to the Contractor, and hold the retention funds from those partial payment requests in the contract account. Thus, the Trustees have in retention in the form of securities deposited at the STO up to the cut-off point, and also hold five (5%) percent retention in the contract account for retention on all payments processed thereafter. Both accounts shall equal no less than five (5%) percent of the entire contract.

Parties in the Escrow Agreement Process

A three-party agreement is drawn up between the Trustees of the California State University as the Trustee, the Contractor, and the STO as the Escrow Agent. All parties must hold a fully

executed agreement (this includes an escrow agreement, surety, power of attorney and all-purpose acknowledgement), all with original signatures.

- *Escrow Agent*: the State Treasurer, who signs all agreements and retention payments for STO.
- *Escrow Agent Representative*: staff member(s) at the STO authorized to perform the following:
 - set up the escrow account,
 - process deposits, withdrawals and retention payments,
 - assess fees, and
 - close the account.
- *Trustees' Construction Administrator*: a CSU employee, usually not the Trustees' Escrow Representative, authorized to perform the following:
 - send the agreement to the Contractor, if requested by the Contractor,
 - review the agreement when returned from the Contractor,
 - assign a number to the agreement,
 - forward the agreement to Trustees' Escrow Representative for further processing,
 - receive and verify that partial payment requests and retention payment requests match and are correct,
 - verify that securities on deposit with STO are sufficient to process retention payment,
 - sign and process retention payments through to the STO for authorization to release,
 - set up log of partial payment requests and retention payment requests.
- *Trustees' Escrow Representative*: a CSU employee, usually not the Trustees' Construction Administrator, authorized to perform the following:
 - receive and review the escrow agreement from the Construction Administrator,
 - secure signature by Trustees' executive and forward the agreement to STO
 - authorize the STO to process securities,
 - log all securities transactions,
 - assess Trustees' fees,
 - close the account.

Referenced Material:

SUAM, Section XII, Sections 9804 and 9805
Public Contract Code Sections 10851-10852
Government Code Section 16430
Contact List for Escrow Issues

CAPITAL PLANNING, DESIGN AND CONSTRUCTION
SECTION XII - CONSTRUCTION MANAGEMENT FOR PUBLIC WORKS CONTRACTS
SECTIONS 9700-9843

9804 CONTRACTOR ESCROW AGREEMENTS

Contractors may execute an escrow agreement with the Trustees and the State Treasurer, deposit funds into an escrow account maintained by the State Treasurer, and receive periodic release of the minimum retention from their contract that is otherwise held until completion of the project (Public Contract Code, Section 10852). Refer to Procedures for Placing of Securities in Lieu of Contract Retention in Appendix D. The State Treasurer serves as escrow agent.

Many contractors take advantage of this provision by making deposits with the State Treasurer, which cover the retainage, and arranging for release of retainage from project funds to them, and enjoying interest on the escrow deposits until completion of the project. The escrow deposits are released to the contractor in whole or in part when the project is complete, if there are no stop notices or other claims against the deposits.

9805 RETENTION OF MONTHLY PAYMENTS TO CONTRACTOR

Absent an escrow agreement, from each monthly payment due the contractor, a minimum of five percent is retained until completion of all contract work (Public Contract Code, Section 10851).

Any stop notice served upon the Trustees according to law (Civil Code, Section 3103; 3183 *et seq.*) obligates the Trustees to withhold 125 percent of the amount of the claim stated in such stop notice until the stop notice has been released according to the requirements of the law (Civil Code, Section 3196 *et seq.*). The Trustees may permit the contractor to file a surety bond to release money withheld (Civil Code, Section 3186), or the contractor may seek determination of stop notice rights in a summary proceeding (Civil Code, Section 3197 *et seq.*). Refer to SUAM, Section 9811 for further information regarding stop notices. Before releasing money withheld pursuant to a stop notice, consult with legal counsel in the Office of General Counsel to ensure the release is proper.

**PUBLIC CONTRACT CODE
SECTIONS 10851-10852**

10851. Payments upon contracts shall be made as the trustees prescribe upon estimates made and approved by the trustees, but progress payments shall not be made in excess of 95 percent of the percentage of actual work completed plus a like percentage of the value of material delivered on the ground or stored subject to or under the control of the state, and unused. The trustees shall withhold not less than 5 percent of the contract price until final completion and acceptance of the project. The Controller shall draw warrants upon estimates so made and approved by the trustees and the Treasurer shall pay them.

10852. At the request and expense of the contractor, and with the approval of the trustees, any amount withheld pursuant to Section 10851 may be deposited with the Treasurer as the escrow agent, who shall pay such moneys to the contractor upon the placing of securities eligible for the investment of state funds under Section 16430 of the Government Code or bank certificates of deposit into such escrow account by the contractor.

“Approval of the trustees,” as used in this section, means that the trustees may, in their discretion, allow or deny the request of the contractor to avail itself of the provisions of this section and that the trustees may, in their discretion, allow the request of the contractor upon the satisfaction of conditions which may be specified by the trustees.

The contractor shall be beneficial owner of any securities in an escrow account pursuant to this section and shall receive any interest thereon.

Any escrow agreement entered into pursuant to this section shall contain as a minimum, the following provisions:

- (a) The amount of securities to be deposited; such amount shall not be less than the amount which would otherwise be withheld pursuant to Section 10851;
- (b) The terms and conditions of conversion to cash in case of the default of the contractor; and
- (c) The termination of the escrow upon completion of the contract.

Government Code
Section 16430

16430. Eligible securities for the investment of surplus moneys shall be any of the following:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are guaranteed as to principal and interest by a federal agency of the United States.

(c) Bonds, notes, and warrants of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the state, municipal utility district, or school district of this state.

(e) Any of the following:

(1) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended (12 U.S.C. Sec. 2001 et seq.).

(2) Debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended (12 U.S.C. Sec. 2001 et seq.).

(3) Bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act (12 U.S.C. Sec. 1421 et seq.).

(4) Stocks, bonds, debentures, and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended (12 U.S.C. Sec. 1701 et seq.).

(5) Bonds of any federal home loan bank established under that act.

(6) Obligations of the Federal Home Loan Mortgage Corporation.

(7) Bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended (16 U.S.C. Sec. 831 et seq.).

(8) Other obligations guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. Sec. 714 et seq.).

(f) (1) Commercial paper of "prime" quality as defined by a nationally recognized organization that rates these securities, if the commercial paper is issued by a federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company that is approved by the Pooled Money Investment Board as meeting the conditions specified in either subparagraph (A) or subparagraph (B):

(A) Both of the following conditions:

(i) Organized and operating within the United States.

(ii) Having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Both of the following conditions:

(i) Organized within the United States as a federally or state-chartered bank or a state-licensed branch of a foreign bank, special purpose corporation, trust, or limited liability company.

(ii) Having programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(2) A purchase of eligible commercial paper may not do any of the following:

(A) Exceed 270 days maturity.

(B) Represent more than 10 percent of the outstanding paper of an issuing federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company.

(C) Exceed 30 percent of the resources of an investment program.

(3) At the request of the Pooled Money Investment Board, an investment made pursuant to this subdivision shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, that are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union. For the purposes of this section, negotiable certificates of deposits are not subject to Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).

(l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.

(n) Negotiable Order of Withdrawal Accounts (NOW Accounts), invested in accordance with Chapter 4 (commencing with Section 16500).

CONTACTS

State Treasurer's Office	The California State University Office of the Chancellor
<p>Mailing Address: State Treasurer's Office Centralized Treasury & Securities Management Division Attn: Ms. Robin Deller P.O. Box 942809 Sacramento, CA 94209-0001</p> <p>Physical Address: 915 Capitol Mall, Room 101 Sacramento, CA 95814</p>	<p>Mailing Address: CSU, Office of the Chancellor 401 Golden Shore Long Beach, CA 90802-4210</p>
<p>Primary Contact: Ms. Robin Deller, Manager Phone: (916) 653-4032 Email: robin.deller@treasurer.ca.gov</p> <p>Primary Co-Contact: Mr. Chris Kooyman, Manager Phone: (916) 653-9521 Email: ckooyman@treasurer.ca.gov</p> <p>Analyst: Brandon Shibata Phone: (916) 653-3846 Group Email: clearance@treasurer.ca.gov Main Phone#: (916) 653-4084</p>	<p>Contact: Sandra J. Gonzalez Principal Construction Program Manager (562) 951-4115 sjgonzalez@calstate.edu</p> <p>OR</p> <p>Ironne Romo Assistant Director, Contracts & Procurement (562) 951-4928 iromo@calstate.edu</p>

OPENING AN ESCROW ACCOUNT

After contract award, the Contractor may execute a three-party escrow agreement with the Trustees and the State Treasurer, deposit funds into an escrow account maintained by the State Treasurer, and receive periodic release of the minimum retention from their contract that is otherwise held until completion of the project (Public Contract Code Section 10852). Escrow agreements may not be authorized by the Trustees if specific reasons exist related to a Contractor's performance or unique circumstances with a project (i.e., bad performance, poor progress, pending claims and/or litigation).

Escrow Agreement Forms

When the Contractor requests an escrow agreement for a project, the Trustees' Construction Administrator issues escrow agreement forms and instructions to the Contractor, along with a New Account Request form. This latter form is to be submitted directly to the STO with a copy to the Trustees. The Trustees' Construction Administrator must use the Trustees' escrow agreement forms without alteration, otherwise the State Treasurer will not execute them. The Trustees may only alter the signature page, specifically the signature block for the Trustees. It should have name and title of official, signing the document for the Trustees. Also, many Contractors unfamiliar with Trustees' escrow process will try to use their bank or other agency forms. The Contractor must use the Trustees' agreement forms, or the State Treasurer will not sign them. The Construction Administrator shall emphasize to the Contractor that it may take up to three months to establish an escrow account.

Trustees' escrow agreement forms and ancillary documents are as follows:

- CSU Transmit Escrow Agreement Forms to Contractor Letter
- Procedure for Placing of Securities in Lieu of Contract Retentions, Form 704.00
- Escrow Agreement, Form 704.01
- Contractor's New Account Request Form to STO, Form 704.03
- STO-CSU Escrow Fee Schedule, Form 704.02
- Contractor Request for Securities Transaction to CSU, Form 704.06
- CSU Securities Transaction Authorization Letter to STO
- Request for Payment of Retention to Contractor, Form 702.12R
- CSU Authorized Signatures Letter to STO, Form 704.04
- Trustees' Contact Sheet to STO, Form 704.05

State Treasurer's Office Requirements Prior to Opening Escrow

The STO requires the Trustees to submit a CSU Authorized Signatures Letter and a Trustees' Contact Sheet for each escrow agreement. The Contractor shall submit a New Account Request

form to the STO, with a copy to the Trustees. Those Trustees' officials who should be signing these documents include the official signing the agreement (usually the VP Administration on the campus, or at the Chancellor's Office, the Director of Contract Services & Procurement or the Assistant Vice Chancellor of CPDC will sign), the Construction Administrator, and the Trustees' Escrow Representative.

Review and Execution of Agreement

Once the Contractor returns the agreement forms, the Construction Administrator reviews the package to make sure it is complete and correct (in four (4) counterparts, all correctly executed by Contractor and Surety) and forwards it to the Trustees' Escrow Representative. The Trustees' Escrow Representative secures the signature of the appropriate Trustees' official, and forwards all counterparts of the agreement to the STO for final execution.

The STO will also review and sign all counterparts of the agreement, and keep one counterpart, sending the remaining three counterparts back to the Trustees. Upon receipt of the fully executed counterparts, the Trustees' Escrow Representative will distribute an original, wet signature copy to the Contractor, and the Construction Administrator, keeping a counterpart for the Trustees' Escrow Representative's file. The Trustees' Accounting Department will receive a copy of the agreement.

Initial Requirement for Book Entry Securities

If the Contractor is going to pledge book entry securities, the Contractor shall pay a Custodian Bank Fee to establish and maintain an account with the STO's custodian bank, Citibank. This fee is \$100 per annum. The Contractor shall complete the New Account Request form, and submit it with a check in the amount of \$100, payable to the STO. If the account is to remain open beyond the current calendar year, the Contractor shall pay the annual renewal fee, due and payable by December 31 of each year. The annual renewal fee will not be prorated for a partial year.

Referenced Materials:

- CSU Transmit Escrow Agreement Forms to Contractor Letter
- Procedure for Placing of Securities in Lieu of Contract Retentions, Form 704.00
- Escrow Agreement, Form 704.01
- STO-CSU Escrow Fee Schedule, Form 704.02
- Contractor Request for Securities Transaction to CSU, Form 704.06
- CSU Securities Transaction Authorization Letter to STO
- Request for Payment of Retention to Contractor, Form 702.12R
- Contractor's New Account Request Form to STO, Form 704.03
- CSU Authorized Signatures Letter to STO, Form 704.04
- Trustees' Contact Sheet to STO, Form 704.05

Campus Letterhead

Date

Contractor
Address
City, ST Zip
Attn: Name

Gentlemen:

Subject: **Escrow Agreement Transmittal**
Contract Number (no.)
(Project Name), Project Number (No.)
(Campus)

Enclosed please find the following documents per your recent request for escrow documents on the above-referenced contract.

- Procedures for Placing of Securities in Lieu of Contract Retentions, Form 704.00
- Escrow Agreement, Form 704.01
- Fee Schedule, Form 704.02
- Request for Securities Transaction, Form 704.06
- Request for Payment of Retention to Contractor, Form 702.12R
- New Account Request Form, Form 704.03

Do not substitute the Escrow Agreement, Form 704.01, with any other format. Should you have any questions regarding these forms, please feel free to give me a call. Any questions relating to the transfer of securities can be forward to (name), Trustees' Escrow Representative, telephone (area code and number).

Sincerely,

{Name}
Construction Administrator
Department

XXX:xx

Enclosures

cc: (name), Trustees' Escrow Representative

PROCEDURES FOR PLACING OF SECURITIES IN LIEU OF CONTRACT RETENTIONS

Section 10852 of the Public Contract Code states, in part, that:

"At the request and expense of the Contractor, and with the approval of the Trustees, any amount withheld pursuant to Section 10851 may be deposited with the State Treasurer as the escrow agent, who shall pay such moneys to the Contractor upon the placing of securities eligible for the investment of state funds under Section 16430 of the Government Code or bank certificates of deposit into such escrow account by the Contractor."

Please note that only the Treasurer is empowered by the statute to act as escrow agent.

1. The Trustees' Escrow Agreement, Form 704.01, contains all the conditions that must be met prior to the release of any retention to the Contractor. The consent of the sureties who issued the performance and payment bonds must be certified in the same manner as the issuance of the bonds.
2. Four counterparts of the escrow agreement will be required, each signed by the Contractor, Escrow Agent and the Trustees, with the sureties' consent attached.
3. Each party to the Escrow Agreement will be furnished a fully executed, wet signature counterpart.
4. Contract retentions will be released after the completion of the Escrow Agreement by all parties, the filing of approved securities and their acceptance by the Escrow Agent.
5. Escrow Agreements will be established for five percent (5%) of the basic contract award, rounded up to the next \$10,000.00.
6. Securities may be deposited per Escrow Agreement Section 1(2); however, no contract retention will be released until adequate securities are on deposit with the Escrow Agent.
7. Escrow Agreement will not be established for projects with bad performance, poor progress and pending claims or litigation.
8. Monthly releases of the contract retention will be in accordance with the Escrow Agreement.

9. Specific instructions for the transfer of the securities will be issued to the Contractor by the Escrow Agent, i.e., State Treasurer’s Office, who may be contacted at the address and telephone number below:

State Treasurer’s Office
Securities Clearance Section
915 Capitol Mall
Sacramento, California 95814
Telephone: (916) 653-4032

10. The State Treasurer's Office (STO) will not execute any securities transaction without the approval of the Trustees. Therefore, it will be necessary for the Contractor to submit a request in writing to the Trustees to deposit, exchange, or withdraw any securities with the STO. The Contractor must use “Request for Securities Transaction” form included with this package.
11. Escrows are to be established at no cost to the State, and attached is the fee schedule that lists fees that will be charged the Contractor by the Escrow Agent and Trustees to offset their overhead costs. The Trustees will collect fees by deducting them from moneys payable on the contract at that time. The STO will bill the contractor separately for their fees.
12. Refer all questions related to issues other than the transfer of securities to the Construction Administrator, at telephone [insert phone number].
13. Refer all questions related to the transfer of securities to the Trustees’ Escrow Representative, at telephone [insert phone number].

Attachments:

- Escrow Agreement, Form 704.01
- Escrow Fee Schedule, Form 704.02
- Request for Securities Transaction, Form 704.06 (refer to Item #10)
- Request for Payment of Retention to Contractor, Form 702.12R

ESCROW AGREEMENT

STATE ESCROW AGREEMENT NO. _____

THIS ESCROW AGREEMENT is entered into by and between the TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY acting in behalf of the State of California, hereinafter designated TRUSTEES, and

hereinafter designated CONTRACTOR, and the State Treasurer, hereinafter designated ESCROW AGENT. TRUSTEES and CONTRACTOR have entered into

This escrow agreement is made pursuant to the authority of Public Contract Code Section 10852; its purpose is to provide for the release to CONTRACTOR of sums which TRUSTEES would otherwise be required to withhold from progress payments to CONTRACTOR under Public Contract Code Section 10851.

The parties hereto agree as follows:

I.

CONTRACTOR agrees:

1. To deliver to ESCROW AGENT, in accordance with the provisions of Public Contract Code Section 10852 either of the following in the amount of \$ _____ :

(1) securities eligible for the investment of State funds under Government Code Section 16430;

(2) certificates of deposit issued by banks authorized to transact business in California which are members of the Federal Deposit Insurance Corporation, or by savings and loan associations authorized to transact business in California which are members of the Federal Savings and Loan Insurance Corporation. Non-negotiable certificates of deposit shall be payable to the order of the ESCROW AGENT as trustee under this Escrow Agreement. Certificates of deposit delivered to ESCROW AGENT, hereunder, shall be accompanied by evidence satisfactory to ESCROW AGENT and TRUSTEES that the issuing bank or savings and loan will honor any request for redemption prior to maturity and that such redemption will be accomplished in a manner that payment will be made to ESCROW AGENT without any rights of third parties being permitted to intervene.

2. To maintain on deposit at all times prior to termination of the escrow created by this agreement securities as specified in section I, paragraph I (1), above; certificates of deposit as specified in section I, paragraph I (2), above; or a combination of such securities and certificates of deposits having a market value of not less than the amount to be paid to CONTRACTOR under the terms of this agreement.

3. Upon demand of ESCROW AGENT, to deposit with ESCROW AGENT additional securities as specified in section I, paragraph I (1) above, having a market value in such amount as in the opinion of ESCROW AGENT is necessary to maintain said deposit or certificates of deposit in said amount.

4. To pay all charges made by ESCROW AGENT for services rendered by it as such ESCROW AGENT, including but not limited to service fees and out-of-pocket expenses.

5. To pay all charges made by TRUSTEES for services performed by them, including but not limited to startup charges and monthly transaction charges.

6. To deposit with ESCROW AGENT such documents as in the opinion of ESCROW AGENT are necessary to enable ESCROW AGENT to sell deposited securities or to redeem certificates of deposit.

7. To pay any and all costs incurred by TRUSTEES or ESCROW AGENT, including but not limited to reasonable attorneys' fees, in any legal or arbitration proceedings in any way arising out of or related to this escrow, including but not limited to legal or arbitration proceedings challenging the right of TRUSTEES or ESCROW AGENT to possess or dispose of said securities or certificates of deposit.

8. That TRUSTEES may direct ESCROW AGENT to sell securities or redeem certificates of deposit deposited with ESCROW AGENT under the terms of this agreement as may be necessary to satisfy charges made under the provisions of section I, paragraph 5, hereof. In addition, CONTRACTOR agrees that TRUSTEES may, at its sole option, deduct the amount of any such charges from progress payments to be made by TRUSTEES to CONTRACTOR.

II.

TRUSTEES agree:

To process periodic payment requests in accordance with established State procedures, for release of retention funds which otherwise would be withheld from progress payments pursuant to the requirements of Public Contract Code Section 10851 upon receipt of notice from ESCROW AGENT that the following are on deposit with ESCROW AGENT:

1. securities or certificates of deposit in the form and amount specified in section I, paragraph (1) hereof,
2. documents necessary to enable ESCROW AGENT to sell the deposited securities or to redeem the certificates of deposit.

TRUSTEES shall be obligated to process such payment only if the ESCROW AGENT's most recent market evaluation shows that the ESCROW AGENT holds securities, or certificates of deposit deposited under the provisions of section I, paragraph (a), having a market value of not less than the total amount to be paid to CONTRACTOR under this agreement.

III.

ESCROW AGENT agrees:

1. To hold the securities or certificates of deposit in trust for the benefit of TRUSTEES until such time as the escrow created hereunder is terminated.
2. To obtain from CONTRACTOR such documents as in the opinion of ESCROW AGENT are necessary to enable ESCROW AGENT to sell the securities or to redeem the certificates of deposit deposited hereunder.
3. To review the market value of securities held in said escrow account monthly.
4. To provide the notices required by Section II.
5. To promptly notify TRUSTEES whenever the market value of securities or the face value of certificates of deposit deposited under the provisions of section I, paragraph 1, equals or is less than the total payments made by ESCROW AGENT to CONTRACTOR.
6. To promptly, upon receipt of notice from TRUSTEES to do so, to sell securities or redeem certificates of deposit and to hold proceeds of such sale or redemption for disbursement at the direction of TRUSTEES.
7. To make no charge to TRUSTEES for any services or out-of-pocket expenses incurred in carrying out its duties and obligations under this agreement.

8. That it holds said securities or certificates of deposit as trustee for TRUSTEES as security for payment of monies which would otherwise be withheld from progress payments by TRUSTEES pursuant to the requirements of Public Contract Code Section 10851 that the rights of TRUSTEES to said securities or certificates of deposit are superior to any lien (or claim of lien) including but not limited to the right to sell securities or redeem certificates of deposit as provided in section I, paragraph 8, hereof, which ESCROW AGENT claims or may in the future claim against said deposit.

IV.

The parties hereto mutually agree that:

1. CONTRACTOR shall have the right to deposit, withdraw or substitute securities or certificates of deposit only by written authorization from TRUSTEES to ESCROW AGENT that TRUSTEES consent to the amount of the deposit, withdrawal or substitution requested by the CONTRACTOR.
2. CONTRACTOR will be permitted to withdraw securities or certificates of deposit from the custody of ESCROW AGENT or to exchange securities or certificates of deposit for those in the custody of ESCROW AGENT if written authorization is provided to the ESCROW AGENT by the TRUSTEES in accordance with Section IV, paragraph 1. Such withdrawal or exchange may be made only if the market value of securities and the face value of certificates of deposit deposited under the provisions of section I, paragraph 1, in the custody of ESCROW AGENT after such withdrawal or exchange equals not less than 100% of the total amount paid to CONTRACTOR by ESCROW AGENT under this agreement.
3. The total amount of funds to be released to CONTRACTOR pursuant to this agreement in lieu of being withheld by TRUSTEES from progress payments to CONTRACTOR may be increased if CONTRACTOR so elects. To increase said total amount CONTRACTOR shall submit to TRUSTEES in duplicate original, a properly filled out and executed Notice of Increase form supplied by TRUSTEES. Said form shall be signed by CONTRACTOR and consented to by CONTRACTOR's surety. Said document shall amend the total amount set forth in section I, paragraph 1, of this agreement and all of the terms and conditions of this agreement shall apply to said amended total amount.
4. TRUSTEES may, upon receipt of notice from ESCROW AGENT under section III, paragraph 5, hereof, withhold monies from CONTRACTOR under the provisions of Public Contract Code Section 10851 until such time as ESCROW AGENT notifies TRUSTEES that additional securities or certificates of deposit in such amount as may be required and documents necessary to enable ESCROW AGENT to sell the additional securities or certificates of deposit have been deposited with ESCROW AGENT by CONTRACTOR.
5. The TRUSTEES shall have the right to draw upon the securities specified in section I, paragraph 1 (1) and/or certificates of deposit as specified in section I, paragraph 1 (2) pursuant to section III, paragraph 6, in the event of default by the CONTRACTOR.
6. This escrow shall terminate and ESCROW AGENT shall return to CONTRACTOR all securities or certificates of deposit held in its custody promptly upon receipt of notice from TRUSTEES that a notice of completion has been filed and recorded in the county in which the project is located, and that there are no claims against the securities or certificates of deposit such as stop notice and labor claims and liquidated damages.
7. This agreement shall become operative only upon filing with TRUSTEES and ESCROW AGENT of the written consent of the surety furnishing CONTRACTOR with both his performance and payment bonds.
8. CONTRACTOR is the beneficial owner of said securities or certificates of deposit held by ESCROW AGENT and at the close of the escrow CONTRACTOR is entitled to receive any and all interest which may be paid thereon.

IN WITNESS WHEREOF, We have hereunto set our hands and seals on this _____ day of _____, 20____.

CONTRACTOR:

(If other than an individual, state whether a corporation, partnership, etc.) Contractor's License No. _____

By: _____

Title: _____

SURETY:

The undersigned, _____

(Name of Surety)

surety for CONTRACTOR on both its faithful performance and payment bonds, hereby gives its consent to the terms of this agreement and to the release of monies to CONTRACTOR provided for herein.

_____ (SEAL)

By: _____

Attorney-in-Fact

Signatures executed in behalf of the surety must be properly acknowledged.

TRUSTEES:

Name, Title, Department
Campus

STATE TREASURER:

By: _____

**ESCROW AGREEMENT FEE SCHEDULE
FOR THE
STATE TREASURER
AS OF JULY 1, 2019**

TRANSACTIONS **\$ 100.00**
Per each item (security deposit, withdrawal, and interest payment)

RETENTION PAYMENTS **\$ 50.00**
Per each contract retention payment approval

- * Please Note: A Returned Wire Fee of \$20 may be charged for each returned Principal / Interest wire.

The above fees will be paid upon completion of the project, prior to the release of the final security.

CUSTODIAN ACCOUNT FEE **\$ 100.00**
For accounts utilizing book entry securities, the STO's Custodian Bank, Citibank, currently charges an annual fee of \$100 per account, payable in advance for each calendar year.

REQUEST FOR SECURITIES TRANSACTION

TO: <Name>
 <Title, Dept. >
 <Campus>

DATE:

FROM: <Contractor Firm Name, Contractor Contact Person Name>

SUBJECT: **Request for Securities Transaction**

Escrow #: <insert Escrow #>

We are requesting to: deposit withdraw (*check one only*)
 the following securities in the above-referenced escrow account at the State Treasurer’s Office (STO), and have listed the required information regarding this transaction below. Please have the transaction take place by: <insert date>.

DEPOSIT:	
1) Security Name:	2) CUSIP / SECURITY #:
3) Issue Date:	4) Maturity Date:
5) Interest Rate:	6) Amount: \$
For Delivery of Book Entry securities to CITIBANK, include the following:	
7) Delivering Agent Name:	8) DTC Broker Code:
9) ABA:	10) FED Wire Address:
11) Settlement Date (Date Security is to be Delivered):	
Wire Instructions for Interest Payments:	
12) Bank:	13) ABA:
14) Account #:	15) FFC:
16) Bank Contact Name & Phone:	

WITHDRAW:			
1) Security Name:	2) CUSIP / SECURITY #:		
3) Issue Date:	4) Maturity Date:		
5) Interest Rate:	6) Amount: \$<insert amount>		
7) For Release of Physical Securities: (Please provide a contact person & address)			

Agent	Contact Person		

Street Address	City	State	Zip
For Release of Book Entry securities from CITIBANK, include the following:			
8) Receiving Agent Name:	9) DTC Broker Code:		
10) ABA:	11) FED Wire Address:		
12) Contractor’s Account #:	13) FFC:		
14) Settlement Date (Date Security is to be Released):			

Contractor’s Authorized Signature	Printed Name & Title	Date
-----------------------------------	----------------------	------

CSU Approval		
CSU Construction Administrator’s Signature	Printed Name & Title	Date

Campus Letterhead

Date

Ms. Robin Deller, Manager
Office of the State Treasurer
Securities Clearance Section
915 Capitol Mall
Sacramento, CA 95814

Dear Ms. Stone:

Subject: **Securities Transaction Authorization:** (deposit/exchange/withdraw)
Escrow Agreement Number, Contractor's Name
Project Name, Project Number
Campus

Please process the enclosed securities transaction(s) request for the subject Escrow Agreement as follows:

<u>Security Number</u>	<u>Dollar Amount</u>	<u>Date of Request</u>
------------------------	----------------------	------------------------

Please contact me at (xxx) xxx-xxxx, if you have questions or require additional information. Your timely consideration is appreciated

Sincerely,

Name
Title

Enclosure

cc: Construction Administrator

PROJECT _____ PROJECT NO. _____
ESCROW AGREEMENT NO. _____ CONTRACT NO. _____
CONTRACTOR _____
ARCHITECT _____ DATE _____

**REQUEST FOR PAYMENT OF RETENTION TO CONTRACTOR
NO. _____**

The following data is referenced to Contractor's Payment Request No. _____.

1.	Original Contract Amount	\$	_____	
2.	Approved Change Orders	\$	_____	
3.	Total Contract Amount			\$ _____
4.	Total Earned to Referenced Payment Request			\$ _____
5.	Total Retention to Date (5% of Item 4 above)	\$	_____	
6.	Less Previous Retention Payments	\$	_____	
7.	Total Retention Payment Due			\$ _____

Submitted by: _____
Contractor Title Date

Approved for Payment: _____
Construction Administrator Date

To State Treasurer

Please approve and return via fax this request for payment. You may fax a signed copy of this form to:

University Name
Construction Administration, Fax Number:

This certifies that there are enough funds in contractor's escrow account, agreement no. _____ to release above retention funds.

State Treasurer Date

STATE TREASURER'S OFFICE
NEW ACCOUNT REQUEST FORM
(to be submitted by Contractor to STO)

DATE	
COMPANY NAME	
MAILING ADDRESS	
TAX ID NUMBER	
CONTACT	
TITLE	
PHONE	
FAX	
EMAIL	
SIGNATURE	

Mail to: State Treasurer's Office
Securities Management Division
Attn: Ms. Robin Deller
915 Capitol Mall
Sacramento, CA 95814

Campus Letterhead

Date

Ms. Robin Deller
Office of the State Treasurer
Securities Management Division
915 Capitol Mall
Sacramento, CA 95814

Dear Ms. Stone:

Subject: **Authorized Signatures**
Escrow Agreement No.
Project Name, Project Number
(Campus)

The employees of _____ (Insert full Campus name) _____ whose names and signatures appear below, are authorized to issue and sign the following:

Escrow Agreements:	
Name: _____	Name: _____
Title: _____	Title: _____

Instructions directing the STO to release retention payments:	
Name: _____	Name: _____
Title: _____	Title: _____

Instructions directing the STO to receive, exchange, or release securities:	
Name: _____	Name: _____
Title: _____	Title: _____

The above authorized signatures are for the subject project only.

Sincerely,

Name
Vice President (or Assistant VP)
Administration

Enclosure

cc: Construction Administrator
Trustees' Escrow Representative

TRUSTEES' CONTACT SHEET

(Trustees to submit to STO upon receipt of escrow agreement from Contractor)

CSU CAMPUS	{Insert full name of campus}
CONTACT	
TITLE	
PHONE	
FAX	
EMAIL	
MAILING ADDRESS	
BACK-UP CONTACT	
BACK-UP TITLE	
BACK-UP PHONE	
BACK-UP FAX	

Submit to: State Treasurer's Office
Securities Management Division
Attn: Ms. Robin Deller
915 Capitol Mall
Sacramento, CA 95814

DEPOSITING AND RELEASING ELIGIBLE SECURITIES

Eligible Collateral Securities

Before retention payments are released, the Contractor must have deposited either the full five (5%) percent of the basic contract or Eligible Collateral Securities in an amount equal to or greater than the progress Retention Payment Request. Eligible Collateral Securities (per Government Code Section 16430) are United States Treasury bills, bonds, notes, or those obligations where the faith and credit of the United States are pledged for the payment of principal and interest, or bonds of this State or any county, city or town. Letters of credit as well as certificates of deposit (CDs) are also acceptable instruments for depositing into an escrow account. Securities should ideally have an “AAA” rating (and no less than “AA”) to provide the most risk free securities for collateral. While letters of credit are acceptable instruments for deposit into an escrow account, be aware that they have an expiration date, and a replacement letter of credit will need to be secured at each expiration until the project is complete. STO and the Trustees recommend not allowing the letter of credit form of deposit.

The STO requires written instruction from both the Contractor and the Trustees to deposit, exchange and release securities. The following outlines the processes for book entry securities and for physical securities. While the processes are basically the same, book entries require an extra step or two.

Book Entry Securities

If the Contractor is going to pledge book entry securities the Contractor shall pay a Custodian Bank Fee to establish and maintain an account with the STO’s custodian bank, Citibank. This fee is \$100 per annum. The Contractor shall complete the New Account Request form, and submit it with a check in the amount of \$100, payable to the STO. If the account is to remain open beyond the current calendar year, the Contractor shall pay the annual renewal fee, due and payable by December 31 of each year. The annual renewal fee will not be prorated for a partial year.

Book entry securities are purchased and sold in an automated system, and the Contractor can obtain them from a licensed broker or bank.

Depositing Book Entry Securities

- The Contractor purchases the securities to be deposited and submits a completed, signed Securities Transaction Request form to the Trustees' Escrow Representative.
- The Trustees' Escrow Representative reviews and approves the Securities Transaction Request form and transmits this form to the STO using a Securities Transaction Authorization Letter, with a copy to the Construction Administrator.
- The STO authorizes the custodian bank, Citibank, to process the securities transaction using the Depository Deposit (D) form, and follows up with a memo to both the Contractor and the delivering broker or bank notifying them of the delivery date and instructions for the transaction.
- The Contractor's broker or bank transmits the book entry securities electronically to Citibank on the delivery date specified in the STO instructions.
- After receipt of delivery confirmation from Citibank, the STO sends a confirmed copy of the D form to the Trustees' Escrow Representative and the Contractor. The Trustees' Escrow Representative, in turn, provides a copy of the form to the Construction Administrator, along with the Securities Transaction Request form.

Releasing Book Entry Securities

When a security matures or has been called for early redemption, the principal balance is credited to the account as cash. The Trustees must first determine whether to require the Contractor to put up a replacement security or whether to release the cash to the Contractor. If the Trustees require a replacement security, the Contractor must deposit the security before the cash can be released.

- To release a book entry security the Contractor shall submit a completed, signed Securities Transaction Request form to the Trustees' Escrow Representative on or before the day the security matures or has been called for redemption.
- The Trustees' Escrow Representative reviews and approves the Securities Transaction Request form and transmits this form to the STO using a Securities Transaction Authorization Letter.
- The STO authorizes the custodian bank, Citibank, to release the securities transaction using either a Depository Maturity (DM) form or a Depository Release (DR) form. Note, STO determines which form to use by the date a security matures or is called for early redemption. The DM form is used to release a security on or after that date, and the DR form is used to release a security before that date.

- Citibank electronically transmits the released book entry securities to the Contractor's broker or bank.
- After receipt of release confirmation from Citibank, the STO sends a confirmed copy of the DM or DR form to the Trustees' Escrow Representative and the Contractor. The Trustees' Escrow Representative, in turn, provides a copy to the Construction Administrator, along with the Securities Transaction Request form.

Physical Securities

The Contractor may purchase physical securities from a bank or lending institution. Eligible physical securities include bank or savings and loan certificates of deposits (CDs) and standby letters of credit. Securities shall have no less than an "AA" rating, and while letters of credit are acceptable instruments for deposit into an escrow account, the Trustees recommend not authorizing the letter of credit form of deposit.

If the Contractor pledges CDs as collateral, the bank or lending institution must meet the following conditions:

- CDs must be registered as follows:
State Treasurer, State of California,
Escrow # _____ for [insert University name]
- CDs should be auto-renewable.
- Principal amount changes cannot be made to current CDs on deposit without prior notification to and written authorization from the STO and the Trustees. No written authorization is needed for auto-renewable CDs unless there is a principal amount change.
- CDs purchased from any bank or lending institution, including online banks, must possess a date, bank contact name, phone number, return address, and an authorized signature. If the CD does not meet all of these requirements, a letter must accompany it on official bank letterhead that provides all the above information and all the terms of the CD. If any of these requirements are not met, the STO will not accept the CD and will return it to the Contractor and notify the Trustees' Escrow Representative. The Trustees' Escrow Representative, in turn, provides a copy to the Construction Administrator.
- Monthly statements from the bank or lending institution must be mailed to the STO.

Depositing Physical Securities

- The Contractor purchases the securities to be deposited and submits a completed, signed Securities Transaction Request form to the Trustees' Escrow Representative.

- The Trustees' Escrow Representative reviews and approves the Securities Transaction Request form and transmits this form to the STO using a Securities Transaction Authorization Letter, and provides a copy to the Contractor and the Construction Administrator.
- The Contractor, or his bank or lending institution, transmits the physical securities to the STO by overnight delivery service, messenger service, or certified mail.
- Upon receipt of the deposit confirmation from the STO vault, the STO sends a copy of the confirmed Vault Deposit (V) form to the Trustees' Escrow Representative and the Contractor. The Trustees' Escrow Representative, in turn, provides a copy to the Construction Administrator, along with the Securities Transaction Request form.

Releasing Physical Securities

As physical securities mature and are not always auto-renewable, it is incumbent upon the Contractor to renew these securities. As long as securities are not released prior to the receipt of replacement securities, the signature of the Construction Administrator will not be required to release the security. When the project is completed, and the Contractor requests release of securities, it is mandatory for the Trustees' Escrow Representative to obtain authorization from the Construction Administrator before authorizing the release of the securities.

- To release a physical security the Contractor shall submit a completed, signed Securities Transaction Request form to the Trustees' Escrow Representative
- The Trustees' Escrow Representative reviews and approves the Securities Transaction Request form and transmits this form to the STO using a Securities Transaction Authorization Letter.
- The STO authorizes the release of the security from the vault, and sends the security with a copy of the confirmed Vault Release (VR) form via certified mail to the Contractor. The STO will send an additional copy of the confirmed VR to the Trustees' Escrow Representative, who will then provide a copy to the Construction Administrator, along with the Securities Transaction Request form.

Referenced Materials:

Depository Deposit (D)
Depository Maturity (DM)
Depository Release (DR)
Vault Deposit (V)
Vault Release (VR)

STATE TREASURER
STATE OF CALIFORNIA
SACRAMENTO, CALIFORNIA 95814

Action : BUY :
Custodian :
Account # :
Trade :
Agency :
Log # :
Company :

Document # : D

Confirmed :
Settle :
Type : FIXED INCOME

Payee/Agent : CITIBANK - NY

You are authorized to
ACCEPT these securities

Broker :

Security	Rate	Issue	Quantity	Original Face
Cusip #	Yield	Due	Price	Par Value

Payable :

Int Payable :	Principal :
NET \$:	Accrued Int :
	TOTAL \$:

STATE TREASURER

(Authorized signature)

DATE SENT : / /

Dividend / Interest Record

- 1 - Original
- 2 - Owner
- 3 - Controller
- 4 - File 31

EX : / / :
Record : / / :
Pmt : / / :
Rate :

Form 60B PLEDGE RECEIPT

STATE TREASURER
STATE OF CALIFORNIA
SACRAMENTO, CALIFORNIA 95814

DEPOSITORY Release for Maturing Securities

Account:
TO :

No. DM
PAGE :

Payable Date:

Item	Maturity Date	Cusip / Description	Issue Date	Rate %	# of Days/Factor	Bd/Cpn	Par Value each	Interest / Premium	Total	Date Paid	Document #	Remarks
1	/ /		/ /							/ /		

332

Note: This document has been reduced from legal size.

Grand Total \$:

of Bnd/Cpn: Premium \$: Principal \$:

ACCOUNTS RECEIVABLE TOTALS: Interest \$:

- 1 - Original
- 2 - Owner
- 3 - Controller
- 4 - Cash Management
- 5 - File

STATE TREASURER

(Authorized signature)

/ /
Date

Form 28A

STATE TREASURER
STATE OF CALIFORNIA
SACRAMENTO, CALIFORNIA 95814

Document # : DR

Action : SELL :
Custodian :
Account # :
Trade :
Agency :
Log # :
Company :

Confirmed :
Settle :
Type : FIXED INCOME

Payee/Agent : CITIBANK - NY You are authorized to
RELEASE these securities

Broker :

Security	Rate	Issue	Quantity	Original Face
Cusip #	Yield	Due	Price	Par Value

Payable :

Int Payable :	:	Principal :		
NET \$:		Accrued Int :		
		TOTAL \$:		

STATE TREASURER

(Authorized signature)

DATE SENT : / /

Dividend / Interest Record

EX : / / :
Record : / / :
Pmt : / / :
Rate :

- 1 - Original
- 2 - Owner
- 3 - Controller
- 4 - File 33

Form 61B PLEDGE RELEASE

STATE TREASURER
STATE OF CALIFORNIA
SACRAMENTO, CALIFORNIA 95814

Receipt # : V
Date :

Received From :
Acct :
received for :

Schedule # :

Agency :

Item	Description	Rate	Qty	Denomination	Issue	Maturity	Cpn Att	Amount
------	-------------	------	-----	--------------	-------	----------	---------	--------

Items Total	Total Qty : _____	TOTAL \$:
--------------------	--------------------------	-------------------

Delivery as per instructions acknowledged

STATE TREASURER

By: _____
(Vault Officer)

(Authorized signature)

- | | | |
|-----------------------|------------|----|
| 1 - Original | 5 - Agency | |
| 2 - Deposits | 6 - Owner | 34 |
| 3 - With Delivery | 7 - File | |
| 4 - Messenger Pick-Up | | |

Form 20 _____ 34

**STATE TREASURER
STATE OF CALIFORNIA
SACRAMENTO, CALIFORNIA 95814**

fo : Treasury Vault

Release # : VR
Date :

Released To :

Acct :

Are held for :

Schedule # :

Agency :

Item	Description	Rate	Qty	Denomination	Issue	Maturity	Cpn Att	Amount
------	-------------	------	-----	--------------	-------	----------	---------	--------

Items Total	Total Qty : _____	TOTAL \$:
-------------	-------------------	------------

Delivery as per instructions acknowledged

STATE TREASURER

By: _____

Date: _____

(Authorized signature)

- | | | |
|-----------------------|------------|----|
| 1 - Original | 5 - Agency | |
| 2 - Deposit | 6 - Owner | |
| 3 - With Delivery | 7 - File | 35 |
| 4 - Messenger Pick-Up | | |

Form 21 _____ 35

MONTHLY REPORTS

The STO provides the following monthly reports to the Trustees:

- Market Valuation Report

The STO completes this report for all escrow accounts, and distributes a copy of the report to the Trustees' Escrow Representative by the tenth of each month. If the market value of an escrow account drops below the retention amount that has been paid to the Contractor, the STO notifies the Trustees. The Construction Administrator shall check this report before submitting a retention payment request to the STO, and if the market value of the escrow account has dropped below the retention amount, the Construction Administrator will tell the Contractor that he must deposit additional securities before any further retention is released.

- Monthly Year-to-date Report

The STO generates this report and distributes it to the Trustees' Escrow Representative who distributes it to the Construction Administrator and the Contractor.

Citibank generates the following reports for each account pledging book entry securities, and will send them directly to the Contractor.

- Investment Summary
- Statement of Transactions

The Trustees' Escrow Representative should be tracking the following monthly, and sample reports are included in this document.

- Escrow Account Activity Report

The Trustees' Escrow Representative should be tracking deposits and withdrawals, providing a copy to the Construction Administrator monthly, or at least with every transaction if transactions occur less frequently.

The Trustees' Construction Administrator should be tracking the following monthly, and sample reports are included in this document.

- Partial Payment Requests and Retention Payments Report

The Trustees' Construction Administrator should be tracking partial payment requests and retention payments made, so as to insure that deposits made to STO are sufficient, and to insure that release of retention is not made prematurely.

Referenced Materials:

- Market Valuation Report
- Monthly Year-to-date Report
- Investment Summary and a Statement of Transactions Report
- Escrow Account Activity Report
- Partial Payment Requests and Retention Payments Report

ANALYSIS OF CSU SAMPLE C. RACT RETENTION ACCOUNTS

February 28, 2003

Citibank Acct #	ENTITY / ESCROW	CUSIP	DESCRIPTION	PAR VALUE	MARKET VALUE	PRINCIPAL WITHDRAWN	RETENTION EARNINGS PAID	DEPOSIT VALUED AT PAR		DEPOSIT VALUED AT MARKET		IS BALANCE > 0?
								TOTAL (par + principal)	BALANCE (total - retention)	TOTAL (market + principal)	BALANCE (total - retention)	
	ABC CONSTRUCTION INC ESCROW #112290											
	912827D21		US TREAS NOTE	900,000.00	905,000.00							
				900,000.00	905,000.00	500,000.00	214,000.00	1,400,000.00	1,186,000.00	1,405,000.00	1,191,000.00	YES
	ABC CONSTRUCTION INC ESCROW #113300											
	SYS0225975		Bank of America CD	1,000,000.00	1,000,000.00							
	SYS0261115		Bank of America CD	500,000.00	500,000.00							
	SYS0265759		Bank of America CD	250,000.00	250,000.00							
				1,750,000.00	1,750,000.00	0.00	502,000.00	1,750,000.00	1,248,000.00	1,750,000.00	1,248,000.00	YES
			GRAND TOTALS:	\$ 2,650,000.00	\$ 2,655,000.00							

Market Valuation Report

Monthly Year-to-Date Report
(Page 1 of 3 pages)

STATE OF CALIFORNIA

PLEDGE GRAND TOTALS AS OF 2/28/2003

DEPOSITORIES TOTAL :	900,000.00
VAULT ITEMS TOTAL :	1,750,000.00
CASH ITEMS TOTAL :	-
GRAND TOTAL :	2,650,000.00

AGENCY	TOTAL \$
CSU - SAMPLE - CONTRACT RETENTION	2,650,000.00

Monthly Year-to-Date Report

AS OF FEBRUARY 28, 2003 - YEAR TO DATE REPORT - PLEDGE -
CSU - SAMPLE - CONTRACT RETENTION
ABC CONSTRUCTION INC ESCROW #112290

PAGE 2

SECURITY NAME					
CUSIP #	ISSUE DATE	MATURITY	LOCAT.	RATE	AMOUNT \$

US TREAS NOTE					
912827D21	12/1/1998	12/1/2004	CITIBANK	5.000	900,000.00
TOTALS: ABC CONSTRUCTION INC ESCROW #112290					
			CITIBANK		900,000.00

Monthly Year-to-Date Report

AS OF FEBRUARY 28, 2003 - YEAR TO DATE REPORT - PLEDGE -
 CSU - SAMPLE - CONTRACT RETENTION
 ABC CONSTRUCTION INC ESCROW #113300

PAGE 3

SECURITY NAME						
CUSIP #	ISSUE DATE	MATURITY	LOCAT.	RATE	AMOUNT \$	

BANK OF AMERICA CD - SACTO BRANCH 0222						
SYS0225975	4/30/2001	4/30/2002	VAULT	2.55	1,000,000.00	
BANK OF AMERICA CD - SACTO BRANCH 0222						
SYS02261115	1/25/2003	7/25/2003	VAULT	2.55	500,000.00	
BANK OF AMERICA CD - SACTO BRANCH 0222						
SYS02265759	2/1/2003	6/1/2003	VAULT	2.55	250,000.00	
TOTALS: ABC CONSTRUCTION INC ESCROW #113300						
			VAULT		1,750,000.00	

INVESTMENT SUMMARY



001 J002

Citibank, N.A.
111 Wall Street
New York, N.Y.
10043

ACCOUNT
*STATE OF CALIFORNIA
CALIFORNIA STATE UNIVERSITY
CONTRACTING CORP
ESC
CITIBANK, N.A. CUSTODIAN

MR. HAAZIQ MUHAMMAD
CHANCELLOR-CONT. SERV. PROCUREMENT
CALIF. STATE UNIV. OFFICE OF THE
401 GOLDEN SHORE, FLR:05
LONG BEACH, CA 90802

DATE	ACCOUNT NUMBER	PAGE NUMBER
11/09/00	307101	1 OF 3

DATE	COST	MARKET VALUE	TOTAL VALUE	% OF CONV/EQUITY	ESTIMATED INCOME	MARKET YIELD
10-31-00						
LONG TERM FIXED INCOME	.00	958,449.65	100.0		7,207.50	4.62
TAX EXEMPTS	.00	958,449.65	100.0			
TOTAL						

42

42

Investment Summary Report

INVESTMENT SUMMARY

000998-000003



Citil. N.A.
111 Wall Street
New York, N.Y.
10043

ACCOUNT

*STATE OF CALIFORNIA
CALIFORNIA STATE UNIVERSITY
CONTRACTING CORP
ESC
CITIBANK, N.A. CUSTODIAN

MR. HAAZIQ MUHAMMAD
CHANCELLOR-CONT. SERV. PROCUREMENT
CALIF. STATE UNIV. OFFICE OF THE
401 GOLDEN SHORE. FLR:05
LONG BEACH, CA 90802

DATE 11/09/00
ACCOUNT NUMBER 307101
PAGE NUMBER 2 OF 3

DATE	TOTAL UNIT COST	AVERAGE UNIT COST	MARKET PRICE	MARKET VALUE	% OF CONV/EQUITY	ESTIMATED INCOME	MARKET YIELD
	TAX EXEMPTS						
35,000	.00	.00	91.934	32,176.90	.00	.00	4.64
	LOCAL GOVT FIM AUTH CALIF REV CAP APPREC-OAKLAND CENT DIST						
	.00	.00	98.825	54,353.75	2,200.00	2,200.00	4.47
55,000	.00	.00	88.433	70,746.40	.00	.00	4.52
	SANTA BARBARA CALIF SMR REV REF SER A						
80,000	.00	.00	88.481	48,664.55	.00	.00	4.50
	4.00% 7-01-2003 SAA7A62 #AAA CENTRAL VALLEY SCH DIST S FING AUTH CALIF SCH DIST G O RFDG-A						
55,000	.00	.00	87.303	144,049.95	.00	.00	4.85
	.00% 8-01-2003 CABOV62 #AAA SOUTH COAST AIR QUALITY MGMT DIST BLDG CORP CALIF REV CAP APPREC INSTL SALE-SER B						
165,000	.00	.00	84.368	33,747.20	.00	.00	4.69
	.00% 8-01-2003 SAAPX62 #AAA ESCONDIDO CALIF JT PMRS FING AUTH LEASE REV RFDG-CALIF CTR FOR THE ARTS						
40,000	.00	.00	84.368	295,288.00	.00	.00	4.69
	.00% 9-01-2003 EAAMP62 #AAA SAN FRANCISCO CA BAY AREA RAPID TRAN DIST SALES TAX REV CAP APPREC REF						
350,000	.00	.00	97.666	107,432.60	.00	4,070.00	4.38
	.00% 7-01-2004 SAAPV62 #AAA SOUTHERN CALIF PUB PWR AUTH TRANSMISSION PROJ REV SUB CROSSVER RFDG-SOUTHN TRANSMISSION PJ						
110,000	.00	.00	84.196	42,098.00	.00	.00	4.64
	.00% 7-01-2004 SABS62 #AA TEHACHAPI CUMMINGS CALIF CNTY PARTN RFDG-CAP IMPT PROJ						
50,000	.00	.00	83.374	41,687.00	.00	.00	4.80
	3.70% 8-01-2004 TAALF62 #AAA WINDSOR CALIF UNI SCH DIST						
50,000	.00	.00	83.563	20,890.75	.00	.00	4.54
	.00% 8-01-2004 WAASK62 #AAA CENTER UNI SCH DIST CALIF RFDG-SER C						
25,000	.00	.00	98.509	24,627.25	.00	937.50	4.15
	.00% 9-01-2004 CAAGG62 #AAA PORT OAKLAND CALIF PORT REV RFDG-SER F						
25,000	.00	.00					
	.00% 11-01-2004 PAADG62 #AAA CALIFORNIA ST WATER RES DEV-SER E						
	3.75% 12-01-2004 CAASE62 #BA1						

Investment Summary Report

Investment Summary Report made by CITIBANK N.A. pursuant to the underlying account documentation. Such decisions were not based on non-public material inform

INVESTMENT SUMMARY



00L 3604

MR. HAAZIQ MUHAMMAD
 CHANCELLOR-CONT. SERV. PROCUREMENT
 CALIF. STATE UNIV. OFFICE OF THE
 401 GOLDEN SHORE, FLR105
 LONG BEACH, CA 90802

ACCOUNT
 *STATE OF CALIFORNIA
 CALIFORNIA STATE UNIVERSITY
 CONTRACTING CORP
 ESC
 CITIBANK, N.A. CUSTODIAN

Citibank N.A.
 111 Wall Street
 New York, N.Y.
 10043

DATE	ACCOUNT NUMBER	PAGE NUMBER
11/09/00	307101	3 OF 3

DATE	TOTAL UNIT COST	AVERAGE UNIT COST	MARKET PRICE	MARKET VALUE	% OF CONV/EQUITY	ESTIMATED INCOME	MARKET YIELD
10-31-00	30,000	.00	80.012	24,003.60		.00	4.75
	35,000	.00	53.382	18,683.70		.00	4.34
	1,105,000*			958,449.65*		7,207.50*	4.62*

MOUNTAIN VIEW CALIF CAP IMPTS
 FING AUTH REV CAP APPREC-CITY
 HALL/CHNTY
 .00X 8-01-2005 HAAVZ62 #AAA
 LANCASTER CALIF SCH DIST CTFS
 RFDG PROJ
 .00X 3-01-2011 LAAS362 #AAA

TOTAL UNITS : 1,105,000.00

44
 44

Investment Summary Report

the extent that any investment decisions reflected herein were made by CITIBANK N.A. pursuant to the underlying account documentation such decisions were not based on non-public material inform

Statement Of Transactions

PAGE 1 ACCOUNT NO. 30710100 6B

YEAR	DATE	TYPE TRANS	SHARES OR AMOUNT	DESCRIPTION	CASH		LEGEND
					INCOME CASH	PRINCIPAL CASH	
					(* INDICATES DISBURSEMENT OR DEBIT BALANCE)		
2000	10 31			OPENING BALANCE	- .00		AMORT Amortization
2000	11 20	DELD	40,000.00	LONG TERM BOND DIST. & EXCHANGES SAN FRANCISCO CA BAY AREA RAPID TRAN DIST SALES TAX REV CAP APPREC REF 07/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 797669DS4 CALIFORNIA ST WATER RES DEV-SER E 3.750% 12/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 130622AW3 LOCAL GOVT FIN AUTH CALIF REV CAP APPREC-OAKLAND CENT DIST 09/01/02 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 539558E25 MOUNTAIN VIEW CALIF CAP IMPTS FING AUTH REV CAP APPREC-CITY HALL/CNTY 08/01/05 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 624313APT TEHACHAPI CUMMINGS CALIF CNTY PARTN RFDG-CAP IMPT PROJ 3.700% 08/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP	.00		BOT Bought
2000	11 20	DELD	25,000.00				DELD Delivered
2000	11 20	DELD	35,000.00				DIST Distribution
2000	11 20	DELD	30,000.00				DIV Dividend
2000	11 20	DELD	110,000.00				INT Interest
2000	11 20	DELD					RECD Received
2000	11 20	DELD					RED Redemption
2000	11 20	DELD					REV Reversal
2000	11 20	DELD					SOLD Sold
2000	11 20	DELD					SUB Subscription
2000	11 20	DELD					TSFD Transferred
2000	11 20	DELD					Balance

To the extent that any investment decisions reflected herein were made by CITIBANK, N.A. pursuant to the underlying account documentation, such decisions were not based on



ACCOUNT

000406-000003
 MUHAMMAD MUHAMMAD
 SELLOR-CONT. SERV. PROCUREMENT
 CALIF. STATE UNIV. OFFICE OF THE
 401 GOLDEN SHORE, FLR105
 LONG BEACH, CA 90802

Statement Of Transactions

PAGE 2 ACCOUNT NO. 30710100 68

DATE	YEAR	MO	DAY	TYPE TRANS	SHARES OR AMOUNT	DESCRIPTION	INCOME CASH	PRINCIPAL CASH	LEGEND
2000	11	20		DELD	55,000.00	DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP B79052AU2 SANTA BARBARA CALIF SMR REV REF SER A 4.000X 07/01/03 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 801313BMB LANCASTER CALIF SCH DIST CTFS RFDG PROJ 03/01/11 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 513806AC3 WINDSOR CALIF UNI SCH DIST 08/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 973517CM5 PORT OAKLAND CALIF PORT REV RFDG-SER F 11/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 734897RN3 CENTER UNI SCH DIST CALIF RFDG-SER C 09/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 151847BQ2 ESCONDIDO CALIF JT PMRS FING AUTH LEASE REV RFDG-CALIF CTR FOR	.00		AMORT Amortization
2000	11	20		DELD	35,000.00		.00		BOT Bought
2000	11	20		DELD	50,000.00		.00		DELV Delivered
2000	11	20		DELD	25,000.00		.00		DIST Distribution
2000	11	20		DELD	50,000.00		.00		DIV Dividend
2000	11	20		DELD	165,000.00		.00		INT Interest
2000	11	20		DELD			.00		RECD Received
2000	11	20		DELD			.00		RED Redemption
2000	11	20		DELD			.00		REV Reversal
2000	11	20		DELD			.00		SOLD Sold
2000	11	20		DELD			.00		SUB Subscription
2000	11	20		DELD			.00		TSFD Transferred
2000	11	20		DELD			.00		Balance

To the extent that any investment decisions reflected herein were made by CITIBANK, N.A. pursuant to the underlying account documentation, such decisions were not based on

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 CALIF. STATE UNIV. OFFICE OF THE
 401 GOLDEN SHORE, FLR 05
 LONG BEACH, CA 90802

Q MUHAMMAD
 3-CONT. SERV. PROCUREMENT
 CALIF. STATE UNIV. OFFICE OF THE
 401 GOLDEN SHORE, FLR 05
 LONG BEACH, CA 90802

ACCOUNT

STATEMENT OF TRANSACTIONS

PAGE 3 ACCOUNT NO. 30710100 68

DATE YEAR MO DAY	TYPE TRANS	SHARES OR AMOUNT	DESCRIPTION	INCOME CASH (* INDICATES DISBURSEMENT OR DEBIT BALANCE)	PRINCIPAL CASH	LEGEND
2000 11 20	DELD	350,000.00	ARTS 09/01/03 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 29634DBH6 SOUTHERN CALIF PUB PMR AUTH TRANSMISSION PROJ REV SUB CROSSVER RFDG-SOUTH TRANSMISSION PJ 07/01/04 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 842477MH1 CENTRAL VALLEY SCH DIST DIST FING AUTH CALIF SCH DIST G O RFDG-A 08/01/03 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP 155742BNS SOUTH COAST AIR QUALITY MGMT DIST BLDG CORP CALIF REV CAP APPREC INSTL SALE-SER B 08/01/03 TO PAINE WEBBER INC PAINE WEBBER INC EXPECTED DATE 11/20/00 MW50341-SKIDMORE CONTRACTING CORP DATE TRADED 11/20/00 BRKR 0221/0221 CUSIP B37406BDB TOTAL	.00		AMORT Amortization BOT Bought DELD Delivered DIST Distribution DIV Dividend INT Interest RECD Received RED Redemption REV Reversal SOLD Sold SUB Subscription TSFD Transferred Balance
2000 11 30			CLOSING BALANCE	.00 ** -.00		

427

To the extent that any investment decisions reflected herein were made by CITIBANK, N.A. pursuant to the underlying account documentation, such decisions were not based on

Statement of Transactions



Citibank, N.A.
111 Wall Street
New York, N.Y.
10043

000406-000005
M' HAAZIQ MUHAMMAD
C BELLOR-CONT. SERV. PROCUREMENT
CALIF. STATE UNIV. OFFICE OF THE
401 GOLDEN SHORE, FLR.05
LONG BEACH, CA 90802

Statement Of Transactions

PAGE 4 ACCOUNT NO. 30710100 68

DATE YEAR MO DAY	TYPE TRANS	SHARES OR AMOUNT	DESCRIPTION	INCOME CASH ("-" INDICATES DISBURSEMENT OR DEBIT BALANCE)	PRINCIPAL CASH	LEGEND
2000 10 31			RECAPITULATION BY CATEGORY GROUP			
			OPENING BALANCE	.00		AMORT Amortization
2000 11 30			CLOSING BALANCE	.00		BOT Bought
			NET CHANGE IN STATEMENT	.00		DELD Delivered
			AVERAGE DAILY CASH BALANCE (MONTH)	.00		DIST Distribution
			AVERAGE DAILY CASH BALANCE (YTD)	23.40		DIV Dividend
			AVERAGE DAILY CASH BALANCE (12MOS)	22.70		INT Interest
						RECD Received
						RED Redemption
						REV Reversal
						SOLD Sold
						SUB Subscription
						TSFD Transferred
						* Balance

*The California State University, Office of the Chancellor
Escrow Account Activity Report*

Escrow Agreement Number: XXXX Contractor: ABC Construction Company

Project Name: University Building Project Number: PO-XXX

California State University: Pomona

Construction Engineer: James R. Corsar

No.	Date	Security Number	Type	Transaction Amount
1	3/24/98	XYZ12345	Deposit	\$120,000.00
2	8/25/98	12345DD4	Deposit	40,000.00
3	8/25/98	12589GG4	Deposit	55,000.00
4	8/25/98	998877SD5	Deposit	25,000.00
5	11/4/98	11145HH8	Deposit	35,000.00
6	11/4/98	SYS222333	Deposit	30,000.00
7	3/30/99	XXX912345	Deposit	110,000.00
8	3/30/99	98765AD4	Deposit	55,000.00
9	4/7/99	65432BC4	Deposit	35,000.00
10	4/7/99	23987SD5	Deposit	50,000.00
11	4/7/99	12345MH6	Deposit	25,000.00
12	5/5/99	SYS293843	Deposit	50,000.00
13	11/1/99	YYY3243	Deposit	165,000.00
14	11/1/99	54321DG2	Deposit	80,000.00
15	1/11/00	998810SG4	Deposit	350,000.00
16	11/13/00	2468FD5	Withdrawal	-120,000.00
17	11/13/00	111JH7	Withdrawal	-40,000.00
18	11/13/00	39SY233	Withdrawal	-55,000.00
19	11/13/00	Z1M2346L	Withdrawal	-25,000.00
20	11/13/00	5796D4Z	Withdrawal	-35,000.00
21	11/13/00	PST9914	Withdrawal	-30,000.00
22	11/13/00	110303SD5	Withdrawal	-110,000.00
23	11/13/00	71145JL6	Withdrawal	-55,000.00
24	11/13/00	DYS444987	Withdrawal	-35,000.00
25	11/13/00	XLNT9875	Withdrawal	-50,000.00
26	11/13/00	3961XD4	Withdrawal	-25,000.00
27	11/13/00	79GK299	Withdrawal	-50,000.00
28	11/13/00	MU99D5	Withdrawal	-165,000.00
29	11/13/00	5PO438	Withdrawal	-350,000.00
30	11/13/00	VC11873	Withdrawal	-80,000.00
Deposit Balance				\$0.00

Partial Payment Requests and Retention Payments Report

CAMPUS:	Pomona	CONTRACT #:	1997-00	Orig Cont Amt	\$23,445,000.00
PROJECT:	Science Addition Bldg	PROJECT #:	PO-999	Date Awarded	08/25/97
VENDOR:	XYZ Contractors Inc.	ACCOUNT #:	624506-6551 FUND 658	5% of Original Contract=	\$1,172,250.00

ITEM	DATE APPROVED	AMOUNT DUE	MATERIALS ALLOWED	ACCUM. AMT DUE	EARNED TO DATE	RETENTION PAYMENT	RETENTIONS TO DATE
PMT 1	10/16/97	461,421.79		461,421.79	485,707.15		24,285.36
PMT 2	11/10/97	103,210.80		564,632.59	594,350.09		29,717.50
PMT 3	12/05/97	400,715.71		965,348.30	1,016,156.11		50,807.81
PMT 4	01/28/98	742,037.97	404,473.50	1,707,386.27	1,371,487.13		68,574.36
PMT 5	02/05/98	781,153.52	528,750.00	2,488,539.79	2,062,936.62		103,146.83
PMT 6	03/09/98	320,234.55	528,750.00	2,808,774.34	2,400,025.62		120,001.27
RET PMT 1	03/20/98	120,000.00		2,928,774.34	2,956,604.57	120,000.00	27,830.23
PMT 7	04/02/98	597,029.94	765,597.60	3,525,804.28	2,779,164.93		18,958.25
PMT 8	05/05/98	739,954.79	935,904.60	4,265,759.07	3,378,794.18		48,939.71
PMT 9	06/05/98	1,042,791.85	1,715,833.80	5,308,550.92	3,655,491.71		62,774.59
PMT 10	06/30/98	828,113.16	2,022,169.50	6,136,664.08	4,204,731.14		90,236.56
PMT 11	08/03/98	619,147.75	2,186,572.49	6,755,811.83	4,683,409.83		114,170.49
PMT 12	09/07/98	549,057.13	2,214,814.50	7,304,868.96	5,231,636.27		141,581.81
PMT 13	10/12/98	679,023.50	2,396,651.40	7,983,892.46	5,754,990.59		167,749.53
PMT 14	11/11/98	680,116.47	1,784,547.00	8,664,008.93	7,115,223.08		235,761.15
RET PMT 2	11/20/99	144,162.85		8,808,171.78	8,993,693.61	144,162.85	185,521.83
PMT 15	12/09/98	647,732.75	1,719,192.04	9,455,904.53	7,865,841.73		129,129.24
PMT 16	01/20/99	855,632.84	1,546,559.44	10,311,537.37	8,948,226.40		183,248.47
PMT 17	02/15/99	646,963.32	1,191,061.24	10,958,500.69	10,003,449.05		236,009.60
PMT 18	03/05/99	949,705.37	989,620.35	11,908,206.06	11,215,181.96		296,596.25
RET PMT 3	06/04/99	293,925.00		12,202,131.06	12,256,887.59	293,925.00	54,756.53
PMT 19	04/09/99	1,355,453.39	814,297.65	13,557,584.45	12,826,525.21		83,238.41
PMT 20	05/11/99	1,077,793.54	642,551.55	14,635,377.99	14,141,830.09		149,003.65
PMT 21	06/09/99	940,687.03	524,530.95	15,576,065.02	15,256,259.18		204,725.11
PMT 22	07/15/99	1,180,908.45	558,971.29	16,756,973.47	16,463,067.72		265,065.54
PMT 23	08/16/99	682,307.99	121,927.69	17,439,281.46	17,641,332.55		323,978.78
PMT 24	09/14/99	1,263,559.08	207,771.99	18,702,840.54	18,881,032.32		385,963.77
PMT 25	10/22/99	1,197,296.28	297,325.09	19,900,136.82	20,047,077.77		444,266.04
PMT 26	11/09/99	903,619.44	336,781.00	20,803,756.26	20,956,723.59		489,748.33
RET PMT 4	11/09/99	201,124.80		21,004,881.06	21,311,229.91	201,124.80	306,348.85
PMT 27	12/10/99	989,971.92	331,387.20	21,994,852.98	22,004,476.98		341,011.20
PMT 28	01/14/00	480,130.55	185,234.40	22,474,983.53	22,663,722.61		373,973.48
PMT 29	02/08/00	409,461.51	57,334.50	22,884,445.04	23,229,366.20		402,255.66
RET PMT 5	02/18/00	274,346.00		23,158,791.04	23,289,718.31	274,346.00	130,927.27
PMT 30	03/17/00	44,073.60	7,529.40	23,202,864.64	23,328,185.88		132,850.64
PMT 31	04/21/00	197,869.14	4,050.00	23,400,733.78	23,540,131.72		143,447.94
PMT 32	08/31/00	56,161.14		23,456,894.92	23,603,511.86		146,616.94
PMT 33	08/31/00	16,917.60		23,473,812.52	23,621,319.86		147,507.34
PMT 34	11/27/00	19,867.59		23,493,680.11	23,642,233.12		148,553.01
PMT 35	12/01/00	108,553.00		23,602,233.11	23,756,499.43		154,266.32
PMT 36	02/06/01	40,020.00		23,642,253.11	23,798,625.75		156,372.64
PMT 37	02/28/01	43,109.64		23,685,362.75	23,844,004.32		158,641.57
	Totals	23,685,362.75	25,020,190.17		Ret Pd to date=	1,033,558.65	1,192,200.22
		22,651,804.10	=Amount Due less Ret Pd to date				
			(or total of payment requests to date)				

CONTRACT RETENTION PAYMENTS

Upon full execution of the escrow agreement, the Construction Administrator shall forward a Retention Payment Request form to the Contractor, explaining that retention payment request forms shall only be submitted after securities are on deposit with the STO. Retention payments shall not be released to the Contractor until adequate securities are on deposit with the STO, and in accordance with the escrow agreement.

When a retention payment request is received the Construction Administrator shall:

- Review the retention payment request against the referenced contractor's partial payment request. Verify that the information is the same.
- Verify that sufficient securities are on deposit with the STO to cover the retention payment request.
- Verify that the market value of the securities on deposit with the STO is sufficient to release the retention payment. If insufficient, the Construction Administrator shall require the Contractor to deposit additional securities.
- Verify that there are sufficient securities on deposit to cover all stop notices, labor commissioner withholds, claims against the Contractor, etc. before authorizing the release of securities.
- Verify funds with Accounting to insure funds are available to pay the retention.
- Log the retention payment on the log of partial payment requests and retention payments.

The Trustees' Construction Administrator shall sign and fax the retention payment request to STO for review and signature.

If approved, the STO signs and returns the retention payment request to the Trustees' Construction Administrator. If there are insufficient securities on deposit, the STO will reject the request and notify the Trustees' Construction Administrator.

Once the retention payment request has been approved and signed by the STO, the Trustees' Construction Administrator may then process it for payment.

Referenced Materials:

Sample copy of STO approved retention payment request

PROJECT NEW HEADQUARTERS BUILDING PROJECT No. CO-999
 CONTRACTOR XYZ CONTRACTORS CONTRACT No. 1998-00
 ARCHITECT ABC DESIGN DATE _____

CONTRACTOR'S PAYMENT REQUEST NO. 13

To the best of my knowledge and belief, I certify that all items, units, prices, and quantities listed below on this Payment Request are correct; that all work has been performed, and materials supplied in full accordance with the conditions of Project Construction Contract; that the following is a true and correct statement of the Contract account for the period covered by this request, and that none of the "TOTAL AMOUNT DUE THIS CONTRACT PAYMENT REQUEST" has been received. I further certify that all applicable provisions of the following have been observed: California State University Contract Law, Government Code, Labor Code and Executive Orders.

1. OBLIGATIONS:	
a. Original Contract Award.	\$ <u>23,795,000.00</u>
b. Change Orders Approved to Date	\$ <u>409,294.46</u>
c. TOTAL CONTRACT OBLIGATION TO DATE.....	\$ <u>24,204,294.46</u>
2. PAYMENTS DUE THIS REQUEST:	
a. Earned to Date.	\$ <u>18,065,738.78</u>
b. Earned on Change Orders to Date	\$ <u>399,648.56</u>
c. TOTAL EARNED TO DATE.....	\$ <u>18,465,387.34</u>
d. Total Retention to Date. (5%)	\$ <u>923,269.36</u>
e. Net Due on Earned to Date. (2c. minus 2d.)	\$ <u>17,542,117.98</u>
f. Advance for Allowed Materials on Site. (90% of value listed on Form 702.17, Request for Payment for Materials on Hand)	\$ <u>0.00</u>
g. Total Payment Due to Date. (2e. plus 2f.)	\$ <u>17,542,117.98</u>
h. Less Previous Payments. (item g. from previous claim)	\$ <u>16,460,834.44</u>
i. TOTAL AMOUNT DUE THIS CONTRACT PAYMENT REQUEST.....	\$ <u>1,081,283.54</u>

Contractor: _____ Date: _____

By: _____ Title: _____

CONTRACT PAYMENT APPROVALS

This certifies that the above-named Contractor is entitled to the Contract Payment listed as item 2i. above, and no part of this amount has been previously paid to him.

Inspector _____ Date _____ Architect _____ Date _____

Approved for Payment _____
 Construction Administrator _____ Date _____

For CSU Use Only:						
Chart Field String: _____						
Account	Fund	DeptID	Program	Class	Project/Grant	

PROJECT NEW HEADQUARTERS BUILDING PROJECT No. CO-999
 ESCROW AGREEMENT No. CO-999 CONTRACT No. 1998-00
 CONTRACTOR XYZ CONTRACTORS
 ARCHITECT ABC DESIGN DATE _____

REQUEST FOR PAYMENT OF RETENTION TO CONTRACTOR NO. 6

The following data is referenced to Contractor's Payment Request No. _____.

1.	Original Contract Amount	\$ <u>23,795,000.00</u>	
2.	Approved Change Orders	\$ <u>409,294.46</u>	
3.	Total Contract Amount \$ <u>24,204,294.46</u>	
4.	Total Earned to Referenced Payment Request	\$ <u>18,465,387.34</u>	
5.	Total Retention to Date (5% of Item 4 above)	\$ <u>923,269.36</u>	
6.	Less Previous Retention Payments	\$ <u>866,359.70</u>	
7.	Total Retention Payment Due	\$ <u>56,909.66</u>	

Submitted by: _____
Contractor Title Date

Approved for Payment: _____
Construction Administrator Date

To State Treasurer

Please approve and return via fax this request for payment. You may fax a signed copy of this form to:

University Name
 Construction Administration, Fax Number:

This certifies that there are enough funds in contractor's escrow account, agreement no. _____ to release above retention funds.

 State Treasurer

 Date

CLOSING THE ESCROW

When the Notice of Completion has been filed on a project, the Contractor will submit a request to release the securities on deposit at the STO. This request should be directed to the Trustees' Construction Administrator but it can also come to the Trustees' Escrow Representative. In any case the request shall be forwarded to the Trustees' Construction Administrator for response.

The Trustees' Construction Administrator shall review the following before agreeing to release:

- Is there any work going on with the project?
- Are there any stop notices on the project?
- Are there any Department of Labor Standards Enforcement issues pending?
- Are there any University claims on the project?

If the Trustees' Construction Administrator can answer 'yes' to any of these, then s/he should not release all of the securities. The Construction Administrator may direct the Trustees' Escrow Representative to release some of the securities, keeping some securities available until all outstanding issues (such as stop notices) are resolved on the project.

If there are no stop notices or other claims on the project, and the work is completely done, the Construction Administrator can and should direct the Trustees' Escrow Representative to release all securities. Note: the Contractor's final progress payment must still show five (5) percent retention. Do not pay a subsequent progress payment request that shows zero dollars in retention, because the Contractor has already drawn that money down through the escrow process.

The Trustees' Escrow Representative invoices the Contractor using the Escrow Fee Schedule. The payment can be collected from the Contractor in the form of a check made out to the Trustees or in the form of a deduction from moneys due to the Contractor. Once payment is received, the Trustees' Escrow Representative transmits a memo to the Construction Administrator confirming the request to release securities, and this memo details each security and amount. Attached to it is a Security Transaction Request form for each security on deposit. The Construction Administrator shall sign and return each form, authorizing the release of securities to the Contractor. The Trustees' Escrow Representative, will then forward them with an authorization letter to the STO, stating that the project is complete, securities can be released, and the account closed.

The STO then invoices the Contractor according to the Escrow Fee Schedule. Once the fees are received from the Contractor, the STO will release all securities to the Contractor, and the account will be closed. The STO will send copies of the confirmed release documents to the Trustees' Escrow Representative and to the Contractor. The Trustees' Escrow Representative shall, in turn, provide the Construction Administrator with a copy of the confirmation.

Referenced Materials:

Sample final payment request showing 5% retention.

PROJECT NEW HEADQUARTERS BUILDING PROJECT No. CO-999
 CONTRACTOR XYZ CONTRACTORS CONTRACT No. 1998-00
 ARCHITECT ABC DESIGN DATE _____

CONTRACTOR'S PAYMENT REQUEST NO. 23

To the best of my knowledge and belief, I certify that all items, units, prices, and quantities listed below on this Payment Request are correct; that all work has been performed, and materials supplied in full accordance with the conditions of Project Construction Contract; that the following is a true and correct statement of the Contract account for the period covered by this request, and that none of the "TOTAL AMOUNT DUE THIS CONTRACT PAYMENT REQUEST" has been received. I further certify that all applicable provisions of the following have been observed: California State University Contract Law, Government Code, Labor Code and Executive Orders.

1. OBLIGATIONS:	
a. Original Contract Award.	\$ <u>23,795,000.00</u>
b. Change Orders Approved to Date	\$ <u>836,852.05</u>
c. TOTAL CONTRACT OBLIGATION TO DATE.....	\$ <u>24,631,852.05</u>
2. PAYMENTS DUE THIS REQUEST:	
a. Earned to Date.	\$ <u>23,795,000.00</u>
b. Earned on Change Orders to Date	\$ <u>836,852.05</u>
c. TOTAL EARNED TO DATE.....	\$ <u>24,631,852.05</u>
d. Total Retention to Date. (5%)	\$ <u>1,231,592.60</u>
e. Net Due on Earned to Date. (2c. minus 2d.)	\$ <u>23,400,259.45</u>
f. Advance for Allowed Materials on Site. (90% of value listed on Form 702.17, Request for Payment for Materials on Hand)	\$ <u>0.00</u>
g. Total Payment Due to Date. (2e. plus 2f.)	\$ <u>23,400,259.45</u>
h. Less Previous Payments. (item g. from previous claim)	\$ <u>23,317,107.29</u>
i. TOTAL AMOUNT DUE THIS CONTRACT PAYMENT REQUEST.....	\$ <u>83,152.16</u>

Contractor: _____ Date: _____
 By: _____ Title: _____

CONTRACT PAYMENT APPROVALS

This certifies that the above-named Contractor is entitled to the Contract Payment listed as item 2i. above, and no part of this amount has been previously paid to him.

Inspector _____ Date _____ Architect _____ Date _____
 Approved for Payment _____ Construction Administrator _____ Date _____

For CSU Use Only:						
Chart Field String: _____						
Account	Fund	DeptID	Program	Class	Project/Grant	

