

19.10 Retention from Construction Progress Payments. In addition to any amount(s) withheld from any Construction Progress Payment in accordance with the Contract or applicable Legal Requirement, the District shall withhold from each Construction Progress Payment (other than the final Construction Progress Payment) an amount equal to five percent of the total payment amount specified in the applicable Certification of Payment as security for adequate performance under the Contract ("Retention"). Notwithstanding the foregoing, after the Work is at least fifty percent complete, if the District Board determines that the Work is satisfactorily progressing, the District Board, in its sole discretion, may pay some or all of the remaining Construction Progress Payments (other than the final Construction Progress Payment) in full to the Contractor. Subject to the District's right to withhold some or all of the Retention as provided by the Contract or applicable Legal Requirement, the District will pay the Retention to the Contractor, as the final Construction Progress Payment, pursuant to Section 19.12 of these General Provisions. The District shall not be required to pay any interest on any Retention withheld pursuant to this Section 19.10. Upon request and at the sole cost and expense of the Contractor, the District will permit substitution of securities in lieu of the District withholding Retention, as provided in Public Contract Code Section 22300. Subject to any restrictions in Public Contract Code Section 22300, the District shall have the right to direct or approve any or all such securities.

19.11 Payment of Construction Progress Payments. After receipt from the Architect of a Certification of Payment for a Progress Payment Request submitted by the Contractor, the District shall pay to the Contractor an amount equal to the amount certified in the Certification of Payment less any duly withheld amounts (each a "Construction Progress Payment"). The District shall pay each such Construction Progress Payment (other than the final Construction Progress Payment) to the Contractor within thirty days after receipt from the Contractor of the complete Progress Payment Request; provided, however, that the District shall make the Construction Progress Payment to the Contractor an appropriate number of days less than thirty days if the Certification of Payment relates to a complete Progress Payment Request that was disapproved, but returned to the Contractor more than seven days after receipt. If the District fails to timely pay an undisputed Construction Progress Payment to the Contractor, the unpaid amount shall accrue interest, at the legal rate specified in Code of Civil Procedure Section 685.010, for each day the payment is late. The District will pay the final Construction Progress Payment to the Contractor as provided in Section 19.12 of these General Provisions.

19.12 Final Payment to Contractor of Retention. The District shall release to the Contractor, as the final Construction Progress Payment, any and all Retention, less any amount(s) the District deems necessary to withhold as provided by the Contract or applicable Legal Requirement, not sooner than 35 days after a Notice of Completion for the Work is recorded, but not later than 60 days after the first to occur of: (i) the District records a Notice of Completion for the Work; or (ii) "completion" of the Work is deemed to have occurred in accordance with Public Contract Code Section 7107. If some or all of any Retention is held in the form of securities, the District shall release such securities in accordance with the foregoing. In the event the District releases Retention to the Contractor because completion is deemed to have occurred in accordance with Public Contract Code Section 7107, the Contractor shall not thereby be deemed or construed to have been released from its obligations pursuant to the Contract, but the Contractor may terminate the Contract for cause at any time after the prerequisites set forth in Section 20.9 of these General Provisions have been satisfied.

19.13 District Issuance of Joint Checks. The District, in its sole discretion, may determine that it is necessary or advisable to issue any payment to the Contractor in the form of a joint check made payable to the Contractor and any of its Subcontractors, materialmen, or other persons or entities. The joint check payees shall be responsible for the allocation and disbursement of such funds between them. Except as may