

Jefferson County Industrial Development Agency

800 Starbuck Avenue, Suite 800

Watertown, New York 13601

Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915

www.jcida.com

Special Meeting Notice

Date: August 11, 2021

To: John Jennings
W. Edward Walldroff
Robert E. Aliasso, Jr.
Paul Warneck
William Johnson
Lisa L'Huillier

From: Chairman David Converse

Re: **SPECIAL Board of Directors' Meeting**

A Special Board of Directors' Meeting has been scheduled for **Wednesday, August 18, 2021 at 8 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

The purpose of the special meeting:

1. Consider Initial Project Resolution No. 08.18.2021.01 for CWT Farms International, Inc.
2. Review/approval of Purcell Construction remediation proposal and contract

Please confirm your attendance with Peggy Sampson at 315-782-5865 or by email pssampson@jcida.com.

pss

c: David Zembiec
Marshall Weir
Lyle Eaton
Jay Matteson
Christine Powers
Kent Burto
Gregory Gardner
Robert Aiken
Justin Miller, Esq.
Media

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Special Meeting

Wednesday, August 18, 2021

8 a.m.

Agenda

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Special Business**
 - 1. Consider Initial Project Resolution No. 08.18.2021.01 for CWT Farms International, Inc.
 - 2. Review/approval of Purcell Construction remediation proposal and contract
- IV. Adjournment**

Cost-Benefit Analysis for CWT FARMS

Prepared by Jefferson County LDC using InformAnalytics

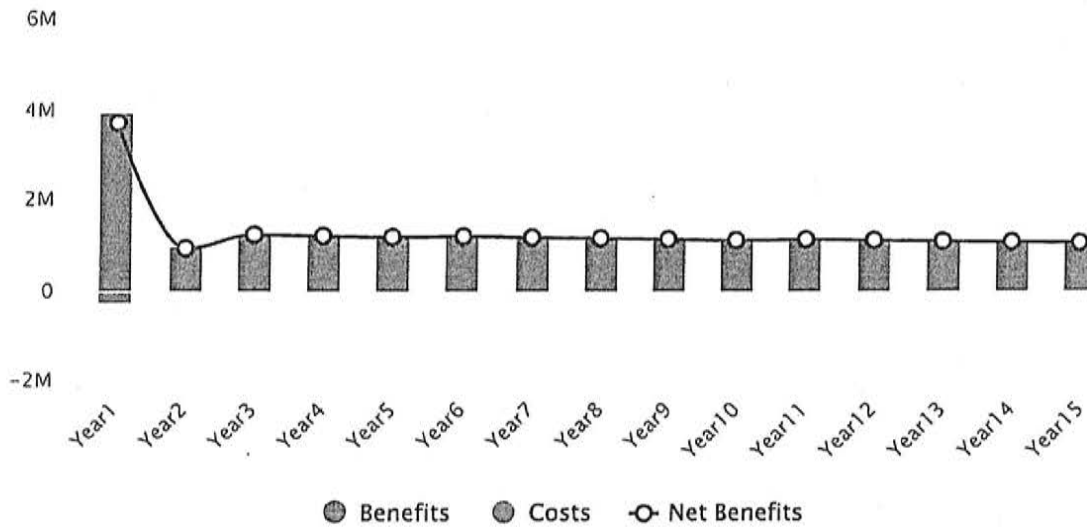
Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
CWT Farms International	33 Ongoing; 57 Temporary	\$9.8 Million	20835 Alexander Drive, Town of Watertown	15 Years

F1 FIGURE 1

Discounted* Net Benefits for CWT FARMS by Year

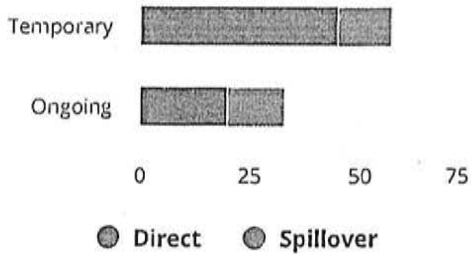
Total Net Benefits: \$19,409,000



Discounted at 2%

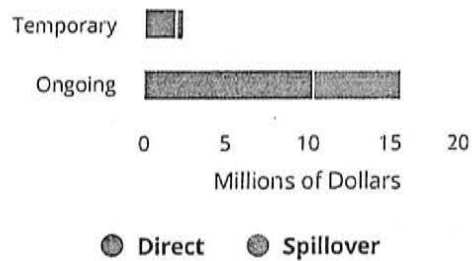
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

CWT Farms International proposes to invest \$9.8 million at 20835 Alexander Drive, Town of Watertown over 15 years. Jefferson County LDC staff summarize the proposed with the following: 29,000 Sq. Ft Egg Hatchery

T1 TABLE 1

F4 FIGURE 4

Proposed Investments

Location of Investment

Description	Amount
CONSTRUCTION SPENDING	
29,000 Square Foot Egg Hatchery	\$5,700,000
OTHER SPENDING	
Land	\$651,000
Furniture & Fixtures	\$200,000
Production Equipment	\$2,950,000
Soft Costs	\$250,000
Total Investments	\$9,751,000
Discounted Total (2%)	\$9,751,000

May not sum to total due to rounding.

Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Jefferson County LDC. The report calculates the costs and benefits for specified local taxing districts over the first 15 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Jefferson County LDC is considering the following incentive package for CWT Farms International.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$622,000	\$561,000
Sales Tax Exemption	\$198,000	\$198,000
Total Costs	\$820,000	\$759,000

May not sum to total due to rounding.

* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$14,827,000	\$6,605,000	\$21,432,000
To Private Individuals	\$13,930,000	\$6,521,000	\$20,452,000
Temporary Payroll	\$1,968,000	\$484,000	\$2,452,000
Ongoing Payroll	\$11,963,000	\$6,037,000	\$17,999,000
To the Public	\$897,000	\$84,000	\$981,000
Property Tax Revenue	\$556,000	N/A	\$556,000
Temporary Sales Tax Revenue	\$25,000	\$6,000	\$31,000
Ongoing Sales Tax Revenue	\$153,000	\$77,000	\$231,000
Purchases Sales Tax Revenue	\$162,000	N/A	\$162,000
STATE BENEFITS	\$957,000	\$275,000	\$1,232,000
To the Public	\$957,000	\$275,000	\$1,232,000
Temporary Income Tax Revenue	\$87,000	\$21,000	\$109,000
Ongoing Income Tax Revenue	\$529,000	\$170,000	\$699,000
Temporary Sales Tax Revenue	\$25,000	\$6,000	\$31,000
Ongoing Sales Tax Revenue	\$153,000	\$77,000	\$231,000
Purchases Sales Tax Revenue	\$162,000	N/A	\$162,000
Total Benefits to State & Region	\$15,785,000	\$6,880,000	\$22,664,000

Discounted Total Benefits
(2%)

\$14,117,000

\$6,051,000

\$20,169,000

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$19,058,000	\$660,000	29:1
State	\$1,111,000	\$99,000	11:1
Grand Total	\$20,169,000	\$759,000	27:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.

Application to
Jefferson County Industrial
Development Agency (JCIDA)

- ☐ **Tax Exempt Bond Financing**
- ☐ **Taxable Bond Financing**
- ☐ **Lease Leaseback Transaction**

Please contact the agency for more information
regarding project eligibility and application process.

Applicant (Company) Name: CWT Farms International Inc.

Applicant Address: : 1180 Airport Parkway, Gainesville GA 30501

Phone: 770 532-3181

E-mail: cwtfarminternational.com

Application Date: 8/6/2021

Internal Use Only

Staff Signature and Date of Submission: D. Zerkow 8/6/2021

Revised Date: _____, Revision #: _____

Completed Application Date: 8/6/2021 Staff Initial _____

Document Date: February 2, 2021

Fee Schedule

Updated as of the date of the document

Taxable and Tax Exempt Industrial Development Revenue Bonds

Application Fee:	A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
Fee:	First \$10 million - 2% of the principal amount of the bond series. \$10 million - \$20 million - 1% of the bond series. Any amount over \$20 million - 0.5% of the bond series. Annual Fee - \$1,500.00
Point of Contact:	David Zembiec - CEO JCIDA +1 (315) 782-5865

Lease Leaseback Transactions

Application Fee:	A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
Fee:	With a PILOT: First \$10 million - 2% Second \$10-\$20 million - 0.5% Any amount over \$20 million - 0.25% No PILOT - 25% of the abatement value
Point of Contact:	David Zembiec - CEO JCIDA +1 (315) 782-5865

Revised Date: _____ Revision #: _____

Document Date: 2/2/2021

Section I: Applicant Information

Please answer all questions. Use "None" or "Not Applicable" where necessary.

A) Applicant Information-company receiving benefit:

Applicant Name : CWT Farms International Inc.

Applicant Address: 1180 Airport Parkway, Gainesville GA 30501

Phone: 770 532-3181

Fax: 770 531 0555

Website: cwtfarminternational.com

E-mail: jpierce@aviagen.com

Federal ID#: 58-0554657

NAICS: 11231

Will a Real Estate Holding Company be utilized to own the Project property/facility? No

What is the name of the Real Estate Holding Company: _ _ _ _ _

Federal ID#: _ _ _ _ _

State and Year of Incorporation/Organization: Georgia 1959

List of stockholders, members, or partners of Real Estate Holding Company: _ _ _ _ _

B) Individual Completing Application:

Name: Jeff L Pierce

Title: Vice President Marketing

Address: 1180 Airport Parkway, Gainesville GA 30501

Phone: 501 767 4949 Fax: 770 531 0555

E-Mail: jpierce@aviagen.com

C) Company Contact (if different from Section B above):

Name: _ _ _ _ _

Title: _ _ _ _ _

Address: _ _ _ _ _

Phone: _ _ _ _ _ Fax: _ _ _ _ _

E-Mail: _ _ _ _ _

Revised Date: _ _ _ _ _ , Revision #: _ _ _ _ _

Document Date: 2/2/2021

D) Company Counsel:

Name of Attorney: Hall B Bryant

Firm Name: Bradley Law Firm

Address: 200 Clinton Avenue W, Suite 900 Huntsville AL 35801

Phone: 256 517 5187

Fax: 256 517-5200

E-mail: hbryant@bradley.com

E) Identify the assistance being requested of the Agency (select all that apply):

- | | |
|-------------------------------------|-----|
| 1. Exemption from Sales Tax | Yes |
| 2. Exemption from Mortgage Tax | Yes |
| 3. Exemption from Real Property Tax | Yes |
| 4. Tax Exempt Financing * | No |
- * (typically for not-for-profits and qualified small manufacturers)

F) Applicant Business Information (check appropriate category):**Corporation X**

Partnership

Corporation Public

Joint Venture

Sole Proprietorship

Limited Liability Company

Other (please specify) _ _ _ _ _

Year Established 1959

State in which Organization is established: Georgia

G) List all Applicant stockholders, members, or partners with % of ownership greater than 20%:**% of ownership**

Aviagen Group Inc

100%

H) Applicant Business Description:

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: CWT Farms International Inc is a poultry company that provides day old chicks and hatching eggs to domestic and international Food companies

Estimated % of sales within Jefferson County: 0%

Revised Date: _ _ _ _ _ , Revision #: _ _ _ _ _

Document Date: 2/2/2021

Estimated% of sales outside Jefferson County, but within New York State: _ _ _ 10%

Estimated% of sales outside New York State but within the U.S.: _ _ 20%

Estimated% of sales outside the U.S. 70%

(*Percentage to equal 100%)

I) What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Jefferson County. Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation including estimated percentage of local purchases.

5-7% local services vendors tbd

Section D: Project Description & Details

A) Project Location:

List your current operation(s) locations in Jefferson County:

N/A

List your current operation(s) locations in New York State:

N/A

List the Proposed Project location(s) : _ TI AGPark _ _ _ _ _

Provide the Property Address of the proposed Project:

20835 Alexander Drive, Watertown, NY 13601

Will the completion of the Project result in the removal, or reduction of an industrial or manufacturing plant of the Applicant from: one area of New York State to Jefferson County; or within Jefferson County?

No [X]

If Yes, please provide details _ _ _ _ _

Revised Date: _ _ _ _ _ , Revision #: _ _ _ _ _

Document Date: 2/2/2021

Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant located within New York State?

No

If Yes, please provide details _____

Will the Proposed Project cause Applicant's current operations within Jefferson County to be closed or be subjected to reduced activity?

No

If Yes, please provide details _____

If Yes to any of the above three (3) questions, Applicant must complete Section IV of this Application.

Will the completion of the Project result in the abandonment, removal, or reduction of an industrial or manufacturing plant of a closely aligned competitor from one area of New York State or Jefferson County?

No [x]

If yes, please provide details _____

SBL Number for Property upon which proposed Project will be located: 82 00-2-1.5

What are the current real estate taxes on the proposed Project Site? See attached tax bill

If amount of current taxes is not available, provide assessed value for each:

Land: \$ _ _ _ _

Building s(s): \$ _____

** If available please include a copy of current tax bill.

Are Real Property Taxes current? Yes.

If no, please explain _____

Town/City/Village: Watertown

School District: Watertown City School District

Does the Applicant or any related entity currently hold fee title to the Project site? No

If No, indicate name of present owner of the Project Site: T.I. AgPark

Does Applicant or related entity have an option/contract to purchase the Project site? [x] Yes

Revised Date: _____, Revision#: _____

Document Date: 2/2/2021

B) Please provide narrative of project and the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility. _____)

Construction of a 29,000 s.f. hatchery facility including hatching area, shipping and receiving area, warehouse, office and mechanical areas.

Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc. . Your eligibility determination will be based in part on your answer (attach additional pages if necessary): _____

Without the agency's benefits, the project is not financially feasible to meet the requirements for export to Canada. Canada is required by treaty USMCA to provide market access at specific levels which include, specific sanitary, phytosanitary and animal welfare standards that make this segment difficult for US companies to engage in this particular trade channel profitably and can impact market access across the entire supply managed agricultural and food industry. Without financial assistance placing a new state of the art facility to meet these standards will continue to require attempting to meet these standards with facilities not designed to meet the requirements. Without assistance the costs exceed a reasonable return on investment and closes opportunities within our industry to capitalize on the good paying stable jobs for our farmers and communities. Once established the economic lifetime of the average hatchery exceeds 35 years.

Please confirm by checking the box, below, if there is a strong possibility that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes

If Yes, please provide details: The Company holds a lease on an existing facility in another state that would be financially advantageous. And an option for purchase on a third facility in another (PA and Ohio)

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency: _____

N/A

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant?

The applicant will move the project out of New York State into one of the other two options

C) Will Project include leasing any equipment No

If Yes, please describe: _____

Revised Date: _____, Revision #: _____

D) Site Characteristics:

Describe the present use of the proposed Project site: _____

This is a shovel-ready parcel in the Tl AgPark ready for development

Will the Project meet zoning/land use requirements at the proposed location? Yes

If Yes, please provide local zoning reference that applies: - Town of Watertown _____

Describe the present zoning/land use: NC - Neighborhood Commercial

Describe required zoning/land use, if different: _____

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: _____

N/A

Is the proposed project located on a site where the known or potential presence of contaminants is complicating the development/use of the property? If yes, please explain: _____

No

Have site plans been submitted to the appropriate planning board or department?

Yes

** If yes, please provide the Agency with a copy of the related State Environmental Quality Review Act ("SEQR") Environmental Assessment Form that may have been required to be submitted along with the site plan application to the appropriate planning department. Please provide the Agency with the status with respect to any required planning department approval:

See attached

This was submitted to the Planning Board on 8/3/21 and goes before the County at the end of August, and then back to the Town Planning Board at the beginning of September.

Has the Project received site plan approval from the planning department? Yes

If Yes, please provide the Agency with a copy of the planning department approval along with the related SEQR determination.

Revised Date: _____, Revision#: _____

Document Date: 2/2/2021

E) Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed project site? Yes

F) If yes, please provide a copy.

A long form EAF was done on the site prior to construction on Lot 5 and Lot 7.

G) Have any other studies or assessments been undertaken with respect to the proposed project site that indicate the known or suspected presence of contamination that would complicate the site's development?

No.

If yes, please provide copies of the study

H) Provide any additional information or details: Lot 8 was part of the original shovel-ready development of the TI AgPark

I) Select Project Type for all end users at project site (you may check more than one):

** Please check any and all end users as identified below.

Industrial	<input checked="" type="checkbox"/>	Back Office
Acquisition of Existing Facility		Retail
Housing		Mixed Use
Equipment Purchase	<input checked="" type="checkbox"/>	Facility for Aging
Multi-Tenant		Civic Facility (not for profit)
Commercial		Other _____

** Will customers personally visit the project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Questionnaire contained in Section III of the Application.

Retail Sales: No

Services: No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

J) Project Information:

Estimated costs in connection with Project:

- | | |
|---|--------------|
| 1. Land and/or Building Acquisition: | \$650,700 |
| __ 5.134 __ acres | |
| 2. New Building Construction: 29,000__ square feet | \$5,700,000 |
| 3. New Building Addition(s): square feet | |
| 4. Infrastructure Work | |
| 5. Reconstruction/Renovation: _____ square feet | |
| 6. Manufacturing Equipment: | \$ 2,950,000 |
| 7. Non-Manufacturing Equipment (furniture, fixtures, etc.): | \$200,000 |
| 8. Soft Costs: (professional services, etc.): | \$250,000 |
| 9. Other, Specify: _____ | |

TOTAL Capital Costs: \$ 9,750,700__

Project refinancing: estimated amount
(for refinancing of existing debt only)

\$_____

Sources of Funds for Project Costs:

Cash	Cash 100%
	\$
Equity (excluding equity that is attributed to grants/tax credits)	
	\$
Tax Exempt Bond Issuance (if applicable)	
	\$
Taxable Bond Issuance (if applicable)	
	\$
Public Sources (Include sum total of all state and federal grants and tax credits)	

Identify each state and federal grant/credit:

\$

Total Sources of Funds for Project Costs:

\$ _ _ _ . . .

Revised Date: _ _ _ _ _

Revision #: _ _ _ _ _

Document Date: 2/2/2021

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars: _____

Mortgage Recording Tax Exemption Benefit: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent /bridge financing): \$ _____

Mortgage Recording Tax Exemption Benefit (product of mortgage
Amount as indicated above multiplied by _ %): \$

Construction Cost Breakdown:

Total Cost of Construction \$ (sum of 2,3,4,5, and/or 7 in Question I, above)

Cost for materials: \$2,850,000
% sourced in Jefferson County: _____ 50%
% sourced in New York State _____ 50% (including Jefferson
County) List major material suppliers if known _____

Cost for labor: \$ - 2,850'000 - - - -

Expected Full-Time Equivalent Jobs during construction _ - - - -
Expected Total Labor Hours during construction _ - - - -
List major subcontractors, if known _ - - - -

Sales and Use Tax: Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ _____

Estimated State and local Sales and Use Tax Benefit (product of ___ % multiplied by the figure, above):

\$ _ - - - -

**** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.**

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit: _ _ _ _ _

JCIDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section 11(1) of the Application.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section 11(1) of the Application.

K) For the proposed facility, please indicate the square footage for each of the uses outlined below:

***If company is paying for FFE for tenants, please include in cost breakdown**

	Square Footage	Cost	% of Total Cost of Project
Manufacturing/Processing	19,200		70
Warehouse	5100		10
Research & Development			
Commercial			
Retail (see section K)			
Office	5760		20
Specify Other			

L) What is your project timetable (Provide dates):

1. Start date: acquisition of equipment or construction of facilities: _ _ Late Summer 2021 _ _ _ _ _
2. Estimated completion date of project: _ _ _ _ _ July 2022 _ _ _ _ _
3. Project occupancy - estimated starting date of operations: _ _ _ July 2022 _ _ _ _ _
4. Have construction contracts been signed? No
5. Has Financing been finalized? No

*** J /constructions contracts have been signed, please provide copies of executed construction contracts and a complete project budget. The complete project budget should include all related construction costs Totaling the amount of the new building construction, and/or new building addition(s), and/or renovation.)* Is the proposed Project necessary to expand Applicant employment: yes

Is the proposed Project necessary to retain existing employment? No

M) Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE obs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED - project the number of FTE obs to be CREATED upon THREE Years after Project completion
**Full time (FTE)	0	15	20

**** By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the THREE-Year time period following Project completion. Convert part-time jobs into FTE jobs by dividing the number of part-time jobs by two (2). A FTE job is one that works the equivalent of a 40-hour week for 48 weeks. A part-time job is one that works the equivalent of a 20-hour week for 24 weeks.**

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	FTE	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	2	70,000	25,000
Professional			
Administrative	1	40,000	10,000
Production	15	35,000	10,000
Transportation/Logistics	2	60,000	15,000
Warehousing			
Other			
TOTAL			

Revised Date: _____, Revision #: _____

Employment at other locations in County/City/Town/Village: (provide address and number of employees at each location):

Location Address		
Full time		
Part Time		
Total		

N) Will any of the facilities described above be closed or subject to reduced activity? No

*** If any of the facilities described above are located within the State of New York, and you answered Yes to the question, above, you must complete Section IV of this Application.*

*** Please note that the Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.*

O) Is the proposed Project reasonably necessary to prevent the Applicant from moving out of New York State? N/A

If yes, please explain and identify the other locations being investigated, type of assistance offered and provide supporting documentation if available: _____

P) What competitive factors led you to inquire about sites outside of Jefferson County or New York State? Existing leased Facility in Ohio that can be renovated and a lease to purchase opportunity in PA

Q) Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies? D No.

Have you applied, or intend to apply for additional Grant Funding, or tax incentives? Yes

If yes, please identify which agencies and what other Local, State and/or Federal assistance and the assistance sought and dollar amount that is anticipated to be received: Empire State Development

Revised Date: _____ Revision#: _____

Section III Retail Questionnaire

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No.

If the answer is yes, please continue. If no, proceed to section V

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?
_____% . If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the Project be operated by a not-for-profit corporation Yes or No.
2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (list specific County or ED region) in which the project will be located?

D Yes or No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the municipality within which the proposed Project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

D Yes or No

If yes, please provide a third party market analysis or other documentation supporting your response.

Revised Date: _____, Revision #: _____

4. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

D Yes or No.

If yes, explain _____

5. Is the Project located in a Highly Distressed Area? D Yes or No

Section IV Inter-Municipal Move Determination

The Agency is required by State law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the Applicant from one area of New York State to another area of the State; or in the abandonment of one or more plants or facilities of the Applicant located within the New York State, Agency Financial Assistance is required to prevent the Applicant from relocating out of the New York State, or is reasonably necessary to preserve the Applicant's competitive position in its respective industry.

Explain how the Agency's Financial Assistance is required to prevent the Project from relocating out of New York State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry

Section V Adaptive Reuse Determination

(Adaptive Reuse is the process of adapting old structures or sites for new purposes)

Are you applying for a tax incentive under the Adaptive Reuse Program? No

If No, please proceed to next Section

A) What is the age of the structure (in years) _____

B) Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a Minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) Yes or No. How many years? _____

C) Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) Yes or No
If yes, please provide dollar amount of income being generated, if any _____

Revised Date: _____

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- D) Does the site have historical significance? Yes or No
- E) Are you applying for either State/Federal Historical Tax Credit Programs? Yes or No. If yes, provide estimated value of tax credits - - - - -
- F) Summarize the financial obstacles to development that this project faces without Agency or other public assistance. Please provide the Agency with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections, documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages): _____
- _____
- G) Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the Agency documentation of this support in the form of signed letters from these entities:
- _____
- _____
- _____
- H) Please indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments:
- _____
- _____
- _____
- _____

Revised Date: _____, Revision #: _____

**Section VI: Estimate of Real Property Tax Abatement Benefits and Percentage of Project Costs
financed from Public Sector sources**

**** Section V of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City Millage)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

***Estimates provided are based on current property tax rates and assessment values**

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Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)

Calculate%

(Est. PILOT+ Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: _____%

JCIDA will also complete a Cost-Benefit analysis using information contained within this Application, and available to the Public.

Section VII Representations, Certifications and Indemnification

**** This Section of the Application can only be completed upon the Applicant receiving, and must be completed after the Applicant receives, JCIDA Staff confirmation that Section I through Section V of the Application are complete.**

Rickey M Smith affirms that he is the President of *CWT Farms International Inc* in the attached Application that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant under stands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the " DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate

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in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

- C. Annual Sales Tax Filings: In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. Copies of all filings shall be provided to the Agency.
- D. Employment Reports: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1 527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.
- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.

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- G. **Hold Harmless Provision:** The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.
- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application
- I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
- (i) a non-refundable 2500 application and publication fee (the "Application Fee")
a \$ _ _ expense deposit for the Agency's Counsel Fee Deposit.
 - (ii) Unless otherwise agreed to by the Agency, an amount equal to
%) of the total project costs.
 - (iii) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.

Revised Date: _ _ _ _ _ , Revision #: _ _ _ _ _

- J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonably proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL, subject to limited statutory exclusions.
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

Revised Date: _____, Revision #: _____

- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss.:

Rickey M. Smith

, being first duly sworn, deposes and says:

1. That I am the President (Corporate Office) of CWT Farms (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Rickey M. Smith
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 6 day of August, 2021



Revised Date: _____, Revision #: _____

Document Date: 2/2/2021

INITIAL PROJECT RESOLUTION
(CWT Farms International, Inc. Project)

DRAFT

A regular meeting of the Jefferson County Industrial Development Agency convened on Wednesday, August 18, 2021 at 8:00 a.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 08.18.2021.01

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING AN APPLICATION SUBMITTED BY CWT FARMS INTERNATIONAL, INC., FOR ITSELF AND/OR ON BEHALF OF ONE OR MORE ENTITIES TO BE FORMED (COLLECTIVELY, THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS DESCRIBED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE PROJECT.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 369 of the Laws of 1971 of the State of New York, as amended (hereinafter collectively called the "Act"), the **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, CWT Farms International, Inc., for itself and/or on behalf of an entity to be formed (collectively, the "Company"), has submitted an Application for Financial Assistance (the "Application") requesting that the Agency consider undertaking a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in an approximately 5.31 acre vacant parcel of real property located at 20835 Alexander Drive in the Town of Watertown, New York 13601 (the "Land", being more particularly described as TMID No 82.00-2-1.5 and Lot 8 in the TIAg Park), (ii) the planning, design, construction, equipping and operation of an approximately 29,000 square foot poultry hatchery facility, including hatching spaces, warehousing, storage, shipping, receiving, office and mechanical spaces, external parking improvements, curbage, landscaping, storm water management and related site improvements (collectively, the "Improvements"), and (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"), and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in

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the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"); and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of: (A) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility, (B) a mortgage recording tax exemption for financings undertaken to construct the Facility, and (C) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of each affected tax jurisdiction (the "Affected Tax Jurisdictions"); and

WHEREAS, the Agency desires to (i) accept the Application, (ii) authorize the scheduling and conduct of a public hearing pursuant to an in accordance with the Act, and describe the forms of financial assistance contemplated by the Agency; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon the representations made by the Company to the Agency in the Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as agent to construct the Improvements and acquire the Equipment constituting the Facility pursuant to the Agent Agreement and Leaseback Agreement to be negotiated as components of one or more Straight Lease Transactions; and

(C) Subject to the terms and conditions set forth within Section 4, hereof, the Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to undertake the Project, thereby increasing capital investment and employment opportunities in the Town of Watertown, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a facility or plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is

reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The proposed financial assistance being contemplated by the Agency includes (i) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, construction or equipping of the Project, (ii) a mortgage recording tax exemption for financings undertaken to construct the Facility, and (iii) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of the Affected Tax Jurisdictions.

Section 3. The Agency further authorizes the scheduling and conduct of a public hearing as required by Section 859-a of the Act (the "Public Hearing"). Prior to such Public Hearing, the Chairman, Vice Chairman and/or Chief Executive Officer of the Agency are hereby authorized and directed to negotiate the terms of one or more PILOT Agreements for the Project in accordance with the Agency's Uniform Tax Exemption Policy ("UTEP").

Section 4. The Agency's formal inducement to undertake the Project and approve the Financial Assistance shall be by one or more further resolutions of the Agency and shall be subject to the terms and conditions as are set forth therein.

Section 5. Harris Beach PLLC, as General and Transaction Counsel for the Agency, is hereby authorized to work with counsel to the Company and others to prepare for submission to the Agency all documents necessary to effect the conduct of the Public Hearing issuance of the Disposition Notice.

Section 6. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized and directed to negotiate, but not execute, certain lease agreements, an Agent and Financial Assistance and Project Agreement (the "Agent Agreement"), the PILOT Agreement(s), and related documents to undertake the Straight Lease Transaction. The Agency's authorization of the Project and the Financial Assistance shall be subject to the adoption of Agency resolutions relative to same.

Section 7. The Chairman, Vice Chairman and Chief Executive Officer of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 8. The officers, employees and agents of the Agency are hereby authorized and directed for an in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

DRAFT

Section 10. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Yea	Nay	Absent	Abstain
David J. Converse	[]	[]	[]	[]
John Jennings	[]	[]	[]	[]
Robert E. Aliasso, Jr.	[]	[]	[]	[]
W. Edward Walldroff	[]	[]	[]	[]
William W. Johnson	[]	[]	[]	[]
Lisa L'Huillier	[]	[]	[]	[]
Paul J. Warneck	[]	[]	[]	[]

The Resolution was thereupon duly adopted.

STATE OF NEW YORK
COUNTY OF JEFFERSON

)
) SS:

DRAFT

I, the undersigned Secretary of Jefferson County Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of Jefferson County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on August 18, 2021, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this ____ day of _____, 2021.

W. Edward Walldroff
Secretary

[SEAL]



JCIDA (Woolworth Building) Hazardous Material
Remediation | Watertown, NY
Lump Sum Proposal | August 2, 2021
Prepared for: JCIDA

CONFIDENTIAL: This document and the information in it are provided in confidence for the sole purpose of exploring opportunities between the proposer and the Architect/Owner concerning the project and may not be disclosed to any third party or used for any other purpose.
This proposal is valid for 30 days.

We are builders.

TABLE OF CONTENTS:

1.PROJECT OVERVIEW & SCOPE
2.PRELIMINARY PROJECT SCHEDULE
3.LUMP SUM PROPOSAL
4.ALTERNATES/UNIT PRICING
5.ALLOWANCES
6.CLARIFICATIONS
7.EXCLUSIONS
8.DOCUMENT LIST

PROJECT OVERVIEW & SCOPE:

The JCIDA PCB Remediation Project will consist of first floor interior demolition of walls, ceilings and MEP systems. Asbestos floor tile and mastic abatement shall be performed. Scarification of the existing concrete floors will accomplish the abatement of the PCB contamination and any asbestos containing mastic that remains. After all clearances are achieved, a concrete floor topping will be placed.

SELECTIVE DEMOLITION (First floor unless noted otherwise.)

- All interior walls shall be removed from floor to underside of deck to facilitate the PCB remediation at the first floor.
- Exterior furring walls shall be partially demolished to facilitate the PCB remediation at the first floor.
 - The West wall furring shall be completely removed from floor to deck.
 - The North and East wall furring shall be partially removed as detailed on the contract documents.
 - Approximately 140 LF of the South wall furring is to remain and approximately 129 LF is to be removed per the details on the contract documents.
- All first-floor acoustical ceilings shall be removed.
- All first-floor gypsum ceilings shall be removed.
- There is some flooring abatement at the Lower-Level existing stair located at the Northwest corner of the building.
- All lockers shall be removed and salvaged.
- All existing first floor finishes, wall base, and mastic down to the existing concrete slab shall be removed. Flooring removal shall be coordinated with abatement activities.
- Existing gypsum column covers shall be removed completely.
- Existing doors, frames, sidelites and all associated items shall be removed.
- All existing interior windows and clerestory windows shall be removed.
- All existing casework and millwork shall be removed.
- MEP selective demolition will be performed by the individual Mechanical, Electrical or Plumbing Contractor.
 - HVAC Contractor shall perform all HVAC removals as indicated. Ductwork mains are to remain including the taps and dampers off the mains. Any refrigerant systems that are partially demolished will receive complete refrigerant evacuation.
 - All existing plumbing fixtures such as toilets, sinks, floor drains, and water coolers shall be removed. This will include any associated piping to a location below the first-floor slab. Hot water heater removal and turn over to the owner is included.
 - Electrical demolition shall include the mechanical equipment and miscellaneous electrical equipment removal, receptacle removal along with associated wire and conduit back to the source, lighting removal, exit sign removal, panel board

removal and replacement, general circuit and feeder removal and replacement, fire alarm removal, data systems removal, and water heater removal. Emergency lighting and EBU's will be maintained throughout the space.

ASBESTOS TILE AND MASTIC ABATEMENT

- The existing carpet tile will be removed under abatement conditions, although materials may be decontaminated and disposed of as C&D waste.
- Metal stud floor track shall be removed under abatement, although materials may be decontaminated and disposed of as C&D Waste.
- Bathroom ceramic floor tile shall be removed under abatement conditions and disposed of as ACM waste.
- The raised floor in the server room shall be removed under abatement conditions.
- All abatement work shall be performed in accordance with the contract specifications, and New York State Department of Labor Industrial Code Rule 56.

PCB ABATEMENT

- PCB abatement shall be performed by removing 1/8" of PCB-containing concrete from the slab. It is anticipated that additional scarification will be required after core sample testing is completed per the Environmental Engineers direction not to exceed 1/2". This additional removal will be paid for from the additional scarification allowance. If the allowance is depleted and additional scarification is required, it will then be charged as a change order to the project.
- 3rd party testing shall perform tests to evaluate the level of PCB's remaining in the scarified areas.
- Additional scarification that is required will be performed under a pre-established unit price for removal of 100 SF.
- This process of scarification and testing shall be repeated until the testing proves the remaining concrete contains less than 1 PPM PCB's.

CONCRETE

- After PCB Abatement, all clearances being received, and confirmation of PCB levels in the remaining slab is less than 1 PPM, a concrete topping will be installed over approximately 49,800 SF of the scarified area.
- 1/4" self-leveling compound will be applied to approx. 2,015sf of the scarified area in the NW corner of the building.
- The concrete topping for the 49,800 SF area has been included as 1-3/4" in depth. 280 CU/YDS of concrete topping has been included in the base proposal. Any additional yardage in excess of the 280 CU/YDS shall be reimbursed to the concrete contractor from the additional concrete allowance using the unit pricing provided in the allowance. If the allowance is depleted and additional concrete is required, it will be charged as a change order to the project.

- A bonding agent shall be applied to the existing scarified concrete prior to topping placement.
- Concrete shall receive a spray applied curing compound. No wet cure shall be provided. Concrete curing compound shall be dissipative type as this will be compatible with adhesives for new floor finishes.
- We are excluding the CSP (Concrete Surface Preparation) Level 5 requirement. We are providing alternate pricing for shot-blasting the existing concrete surface to achieve this level of surface preparation.

PRELIMINARY PROJECT SCHEDULE

A 5-month construction duration has been estimated for the project. Please see the attached preliminary construction schedule.

LUMP SUM PROPOSAL

The lump sum base bid price for this contract is **\$1,700,378.00**

WAGE RATES

NYS Prevailing Wage Rates for Jefferson County have been included in this evaluation.

TAXES

This project is assumed to be tax-exempt. No tax has been included.

MWBE PARTICIPATION

No MWBE participation has been included for this project. It is assumed there are no requirements.

ALTERNATES/UNIT PRICING:

Unit Price #1 – Provide additional 1/8" scarification per 100 SF – ADD \$357.00 per 100 SF.

Unit Price #2 – Provide 1 additional Cubic Yard of Concrete Slab Topping – ADD \$203 per CY

Alternate #1 – Add to provide shot-blasting to achieve CSP (Concrete Surface Preparation) Level 5 requirements. – ADD \$75,469

ALLOWANCES:

- **Additional Scarification Allowance** - An Allowance of \$227,052 has been carried in the base proposal for an additional 1/8" scarification for PCB abatement. Any additional scarification above the base bid 1/8" scarification will be charged to this allowance. If the allowance is depleted and additional scarification is required, it will be charged as a change order to the project.

- **Additional Concrete Allowance** - An allowance of \$8,120 has been included for additional concrete materials above the 280 CU/YDS included in the base bid. This allowance is carried for elevation inconsistencies in the existing floor surface and any additional concrete required for this condition and / or additional scarification. If the allowance is depleted and additional concrete is required, it will be charged as a change order to the project.

CLARIFICATIONS:

- This proposal is valid for 30 days from the date of being received.
- No rooftop equipment removal has been included in this proposal.
- Purcell Construction's on-site Superintendent shall use an office on the lower level therefore we have not included an office trailer placed on-site.
- The initial scarification depth of the existing concrete shall be 1/8". After the 1/8" scarification testing shall be performed to determine the level of PCB's remaining in the concrete. If PCB levels are above 1 PPM additional scarification shall be performed in 1/8" depths and additional testing shall be performed. This process will repeat until the existing concrete PCB level tests below 1 PPM or a maximum depth of 1/2". Note, all testing shall be performed by the Owners Testing Company and all costs associated with the testing shall be the responsibility of the Owner.
- Per email correspondence with the Design Team, 4lbs./cy of the Forta-Ferro Macro Synthetic Fiber Reinforcement is an acceptable dosage for the concrete topping for this project and is the dosage included in this proposal.
- Concrete topping placement shall be performed in 7-8 placements and will not be performed in a "checker board" pattern.
- The locker room area will not receive a topping. This area will remain at the scarified depth to be infilled / topped in a future project.

EXCLUSIONS:

- Contractor shall not be liable for any delays, overruns (including for labor, material and/or costs) or impacts related to its work caused by or stemming from any epidemic / pandemic as defined by the United States Centers for Disease Control and Prevention.
- Temporary fuel and equipment for heat during construction. We intend to use existing equipment for temporary heat and this shall be paid for by the Owner.
- Temporary electric shall be supplied from the existing electrical in the building and usage charges shall be paid for by the Owner.
- Temporary water shall be supplied from the existing water supply in the building and usage charges shall be paid for by the Owner.
- Hazardous Material removal at lower level including Washington Street Properties
- Third party inspections and testing.

- PCB testing.
- Abatement monitoring.
- Hazardous material testing.
- Removal of furniture and cubicles currently inside the building.

DOCUMENT LIST:

- Jefferson County Industrial Development Agency PCB Remediation Project Woolworth Building – Dated 7/16/2021
- Jefferson County Industrial Development Agency Volume 1 of 1 Bidding Documents and Technical Specifications Divisions 1-3, 5, & 26 – Not Dated
- Paradigm Environmental PCB Pilot Test Summary Dated July 5, 2021
- Analytical Report for Paradigm Environmental Referencing 146 Arsenal St. Watertown, NY 13601 – Dated June 25, 2021
- Paradigm Environmental Asbestos Survey Addendum for 146 Arsenal St. Watertown, NY 13601 Dated March 31, 2021.
- Paradigm Environmental PCB Mastic Summary – Dated April 26, 2021.
- Denise Young - 2020-104_Phase I Report 146 Arsenal Street Watertown.
- Denise Young - Watertown Family YMCA 146 Arsenal St Asbestos Survey.

Activity ID	Activity Name	Original Duration	Remaining Duration	Project Start	Project End	Sample Project
DP700	PCB Remediation Woolworth Building	120	120	12/18/21	30-Dec-21	
DP701	JCIDA Preconstruction Remediation	120	120	12/18/21	30-Dec-21	
DP702	JCIDA and YMCA Agree on Scope Delineation	5	5	12-Jul-21	16-Jul-21	
DP703	Develop 100% JCIDA Documents for Bid	5	5	12-Jul-21	16-Jul-21	
DP704	Submit 100% JCIDA Documents to YMCA and JCIDA	1	1	19-Jul-21	19-Jul-21	
DP705	Prepare and Submit JCIDA Lump Sum Budget	20	20	19-Jul-21	13-Aug-21	
DP706	JCIDA Budget Review Meeting	0	0	13-Aug-21	13-Aug-21	
DP707	Execution of Contract with JCIDA	10	10	16-Aug-21	27-Aug-21	
DP708	Release for Construction	0	0	30-Aug-21	30-Aug-21	
DP709	Execute Subcontract with selected Subcontractor	10	10	30-Aug-21	13-Sep-21	
DP710	Purch Mobilize onsite with Fencing and a Sign	5	5	30-Aug-21	03-Sep-21	
DP711	Demolition Activities	10	10	14-Sep-21	27-Sep-21	
DP712	Hazardous Materials Submittals to Include Review/Approval	15	15	14-Sep-21	04-Oct-21	
DP713	Provide Temporary Power to Abatement Areas	10	10	14-Sep-21	27-Sep-21	
DP714	Temporary Water Hookups for Abatement Areas	10	10	14-Sep-21	27-Sep-21	
DP715	Maintain WSP MEPs to function as Normal	5	5	14-Sep-21	20-Sep-21	
DP716	Cut, Cap and Make Safe all Items in Demo Areas	10	10	28-Sep-21	11-Oct-21	
DP717	10 Day Abatement Notification	10	10	05-Oct-21	18-Oct-21	
DP718	Hazardous Materials Abatement	30	30	19-Oct-21	01-Dec-21	
DP719	Receive a Clean Bill of Health from the EPA	5	5	02-Dec-21	08-Dec-21	
DP720	Place Topping on Scarified Slab	15	15	09-Dec-21	30-Dec-21	

02-Aug-21 16:15

03-Aug-21 16:15

Page 1 of 1

TASK filter: All Activities

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AIA® Document A101® – 2017

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

AGREEMENT made as of the 16th day of August in the year 2021
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Jefferson County Industrial Development Agency
800 Starbuck Ave.
Watertown, NY 13601

and the Contractor:
(Name, legal status, address and other information)

Purcell Construction Corp.
566 Coffeen Street
Watertown, NY 13601

for the following Project:
(Name, location and detailed description)

PCB Remediation Project
Woolworth Building
146 Arsenal St.
Watertown, NY 13601
Architects Project No. 2021-077

The Architect:
(Name, legal status, address and other information)

BCA Architects & Engineers
327 Mullin Street
Watertown, NY 13601

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101®–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201®–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

The Owner and Contractor agree as follows.

TABLE OF ARTICLES

- 1 THE CONTRACT DOCUMENTS
- 2 THE WORK OF THIS CONTRACT
- 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
- 4 CONTRACT SUM
- 5 PAYMENTS
- 6 DISPUTE RESOLUTION
- 7 TERMINATION OR SUSPENSION
- 8 MISCELLANEOUS PROVISIONS
- 9 ENUMERATION OF CONTRACT DOCUMENTS
- 10 INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract Documents include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals and addenda relating to bidding requirements. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:

(Check one of the following boxes.)

☐ The date of this Agreement.

☒ A date set forth in a notice to proceed issued by the Owner.

☐ Established as follows:

(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:

(Check one of the following boxes and complete the necessary information.)

☐ Not later than () calendar days from the date of commencement of the Work.

☒ By the following date: December 31, 2021

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work

Substantial Completion Date

§ 3.3.3 Intentionally omitted.

§ 3.3.4 Time is of the essence of this Agreement. \

§ 3.3.5 The Contractor shall prepare and periodically update a Project schedule for the Owner's review and acceptance. The Project schedule shall coordinate and integrate the Contractor's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion.

(a) If the Owner, in good faith, determines that the Contractor is behind the Project Schedule, the Owner shall give the Contractor ten (10) days to take whatever action is necessary to return the Work to adherence to the Project Schedule. After such ten (10) day period, if the Owner determines that the Work is still behind the Project Schedule, and Contractor fails to initiate the cure and fails to continue to progress with the cure of correcting the deficiency or work to the satisfaction of the Owner, the Owner may terminate the Contract without any further notice required under General Conditions Article 14 or correct the deficiency at the Contractor's expense.

(b) Any modifications to the Project Schedule must be agreed to by the Contractor and Owner and contained in a Change Order to the Contract signed by both parties.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be One Million Seven Hundred Thousand Three Hundred Seventy-Eight and 00/100 Dollars (\$ 1,700,378.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price
None.	

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.

(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance
Alternate #1 – Add to provide shot-blasting to achieve CSP (Concrete Surface Preparation) Level 5 requirements noted in the contract documents. –	ADD \$75,469.00	The contract documents call for CSP (Concrete Surface Preparation) Level 5 requirement, which is not included in this contract price. This alternative pricing is provided if Owner chooses this alternative and will be added to the contract sum.

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item
Additional Scarification Allowance - An Allowance of \$227,052 has been carried in the base proposal for an additional 1/8" scarification for PCB abatement. Any additional scarification above the base bid 1/8" scarification will be charged to this allowance. If the allowance is depleted and additional scarification is required, it will be charged as a change order to the project.

Additional Concrete Allowance - An allowance of \$8,120 has been included for additional concrete materials above the 280 CU/YDS included in the base bid. This allowance is carried for elevation inconsistencies in the existing floor surface and any additional concrete required for this condition and / or additional scarification. If the allowance is depleted and additional concrete is required, it will be charged as a change order to the project.

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item
Unit Price #1 – Provide additional 1/8" scarification per 100 SF – ADD \$357.00 per 10 SF.

Unit Price #2 – Provide 1 additional Cubic Yard of Concrete Slab Topping – ADD \$203 per CY

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

None.

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

None.

Init.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the 25th day of the month it is submitted in, the Owner shall make payment of the amount certified to the Contractor not later than the 25th day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than thirty (30) days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Owner or Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 In accordance with AIA Document A201™-2017, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- .1 That portion of the Contract Sum properly allocable to completed Work;
- .2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201-2017;
- .3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201-2017; and
- .5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

5%

§ 5.1.7.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

Not applicable.

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:

(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

None

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:

(Insert any other conditions for release of retainage upon Substantial Completion.)

To be determined by a written change order agreement by the parties.

§ 5.1.8

Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 Final Payment

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Article 12 of AIA Document A201-2017, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

2 % per annum simple interest

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201-2017.

(Paragraph Deleted)

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201-2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

☐ Arbitration pursuant to Section 15.4 of AIA Document A201-2017

☒ Litigation in a court of competent jurisdiction located in County where the project is located

☐ Other *(Specify)*

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-2017.

§ 7.1.1 If the Contract is terminated for the Owner's convenience in accordance with Article 14 of AIA Document A201-2017, then the Owner shall pay the Contractor a termination fee as follows:

(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)

None

§ 7.1.2 In the case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work performed up to the date of termination.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201-2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:

(Name, address, email address, and other information)

David Zembiec
Jefferson County Industrial Development Agency
800 Starbuck Ave.
Watertown, NY 13601

§ 8.3 The Contractor's representative:

(Name, address, email address, and other information)

Emily Zehr
Purcell Construction Corp.

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User Notes:

566 Coffeen Street
Watertown, NY 13601

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds

§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in Article 10 of this Agreement and elsewhere in the Contract Documents.

§ 8.5.2 The Contractor shall provide bonds as set forth in Article 10 of this Agreement, and elsewhere in the Contract Documents.

§ 8.6 Notice in electronic format, pursuant to Article 1 of AIA Document A201-2017, may be given *by email delivery to the recipient provided proof of delivery and/or receipt of the email can be provided upon demand.*

§ 8.7 Other provisions:

§ 8.7.1 This Agreement shall be governed by the laws of the State of New York.

§ 8.7.2 The Owner and Contractor, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Contractor shall assign this Agreement without the written consent of the other.

§ 8.7.3 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Contractor.

§ 8.7.4 If the Contractor receives information specifically designated by the other party as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

§ 8.7.5 Nothing contained in this Agreement shall be construed as creating any personal liability on the part of any officer, employee or agent of the Owner.

§ 8.7.6 Contractor agrees to comply with all New York State laws which may be applicable to this Agreement, and to require similar compliance from its subcontractors and consultants.

§ 8.7.7 Contractor, in accordance with its status as an independent contractor, covenants and agrees that it shall conduct itself in a manner consistent with such status, that it will neither hold itself nor its employees out as, nor claim to be an officer or employee of the Owner, and that it will not by reason hereof, make any claims, demand or application for any right or privilege applicable to an officer or employee of the Owner, including but not limited to workmen's compensation coverage, unemployment insurance benefits, Social Security coverage and retirement membership or credit.

§ 8.7.8 Contractor agrees to maintain sufficient on-site records and information necessary for the documentation of any and all facets of program operation specified by this Agreement. Contractor agrees to permit on-site inspection and auditing of all records, books, papers and documents associated with this Agreement by authorized

representatives of the Owner. Contractor agrees to maintain for a period of five (5) consecutive years following termination of this Agreement, any and all records, reports and other documentation arising from the performance of this Agreement; however, this period shall be extended beyond five years for any and all records and information pertaining to unresolved questions which have been brought to Contractor's attention by written notice.

§ 8.7.9 Contractor agrees to pay, when due, all claims for labor and/or materials furnished for Work, and to prevent the filing of any liens, attachments, garnishments or suits involving the title of the property on which the Work is performed. Contractor agrees to cause the effect of any such suit or lien to be removed from the premises within fifteen (15) days after written demand from the Owner.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

- .1 AIA Document A101™-2017, Standard Form of Agreement Between Owner and Contractor
- .2 AIA Document A201™-2017, General Conditions of the Contract for Construction, as amended for the Project
- .3 Purcell Construction Corp's proposal entitled JCIDA (Woolworth Building) Hazardous Material Remediation, Watertown, NY, Lump Sum Proposal, August 2, 2021
- .4 Wage Schedule (PRC# 2021008511)

(Paragraph Deleted)

- .5 Drawings

(Table Deleted)

INDEX OF DRAWINGS

HAZARDOUS MATERIAL

- AB-101 ASBESTOS TILE & MASTIC ABATEMENT PLAN
- AB-201 PCB CONCRETE ABATEMENT PLAN
- AB-301 PCB MASTIC LEVELS - FLOOR PLAN

ARCHITECTURAL

- A-011 FIRST FLOOR INTERIOR DEMOLITION PLAN
- A-021 FIRST FLOOR REFLECTED CEILING DEMOLITION PLAN
- A-100A FIRST FLOOR PLAN - REMOVALS - EXTERIOR SCOPE
- A-600 EXISTING WALL SECTIONS - REMOVALS

MECHANICAL

- MD-101 PARTIAL FIRST FLOOR DEMOLITION PLAN
- MD-102 PARTIAL FIRST FLOOR DEMOLITION PLAN
- MD-103 PARTIAL FIRST FLOOR DEMOLITION PLAN
- MD-104 PARTIAL FIRST FLOOR DEMOLITION PLAN

ELECTRICAL

- ED-110 ELECTRICAL DEMOLITION PLAN - FIRST FLOOR
- E-700 ELECTRICAL SINGLE LINE DIAGRAM

PLUMBING

- PD-100 1ST FLOOR PLUMBING DEMOLITION AREA A
- PD-101 1ST FLOOR PLUMBING DEMOLITION AREA B
- PD-102 1ST FLOOR PLUMBING DEMOLITION AREA C
- PD-103 1ST FLOOR PLUMBING DEMOLITION AREA D

COMMUNICATION

- T-000 LEGENDS, ABBREVIATIONS, AND GENERAL NOTES
- T-100 FIRST FLOOR DEMOLITION PLAN AREA A

T-101 FIRST FLOOR DEMOLITION PLAN AREA B
T-102 FIRST FLOOR DEMOLITION PLAN AREA C
T-103 FIRST FLOOR DEMOLITION PLAN AREA D
FIRE PROTECTION
FA-101 FIRST FLOOR FIRE ALARM REMOVAL PLAN
FP-101 FIRST FLOOR FIRE PROTECTION PLAN

.6 Specifications

(Table Deleted)

VOLUME I

DIVISION 1 – GENERAL REQUIREMENTS

01 0000 General Requirements
01 1000 Summary (Added by Addendum #1)
01 3000 Administrative Requirements
01 4000 Quality Requirements
01 4510 Asbestos Removal Air & Project Monitoring and Control
01 4533 Code-Required Special Inspections and Procedures
01 5000 Temporary Facilities and Controls
01 6000 Product Requirements
01 7000 Execution and Closeout Requirements
01 7329 Cutting and Patching
01 7419 Removal and Disposal of Universal Waste
01 7800 Closeout Submittals

DIVISION 2 – EXISTING CONDITIONS

02 0720 PCB Remediation of Building Materials
02 4119 Minor Demolition
02 8200 Asbestos Abatement Plan – Interior and Exterior Scopes
02 8300 Lead Safe Work Practices

DIVISION 3 – CONCRETE

03 2000 Concrete Reinforcing
03 3000 Cast-In-Place Concrete
03 5400 Cast Underlayment (Added by Addendum #1)

DIVISION 5 - METALS

05 5000 Metal Fabrications

DIVISION 26 - ELECTRICAL

26 0505 Selective Demolition for Electrical

.7 Addenda, if any:

Number	Date
Addendum No. 1	7/21/2021
Addendum No. 2	7/27/2021
Addendum No. 3	7/29/2021

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.8 Other Exhibits:

(Check all boxes that apply and include appropriate information identifying the exhibit where required.)

☐ AIA Document E204™-2017, Sustainable Projects Exhibit, dated as indicated below:
(Insert the date of the E204-2017 incorporated into this Agreement.)

☐ The Sustainability Plan:

Title	Date	Pages
-------	------	-------

☐ Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
----------	-------	------	-------

.9 Other documents, if any, listed below:

(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™-2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

ARTICLE 10 INSURANCE AND BONDS

The Contractor shall purchase and maintain insurance and provide bonds as set forth in Article 11 of AIA Document A201-2017.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2017.)

Type of insurance or bond	Limit of liability or bond amount
Performance and Payment Bond in a form mutually agreed upon by the parties	100% of the Contract Sum

§ 10.1 The Contractor shall provide to the Owner certificates of insurance evidencing compliance with the requirements in this Contract. The certificates will show the Owner and the Architect as additional insureds on the Comprehensive General Liability, Automobile and Umbrella/Excess policies.

§ 10.2 The Contractor's insurance policies for the additional insured required under this Contract shall apply as primary insurance on a non-contributing basis before any other insurance or self-insurance, including any deductible, maintained by or provided to, the additional insured.

§ 10.3 Upon the Owner's request, the Contractor shall provide copies of policies and all endorsements for the insurance requirements under this Contract.

§ 10.4 The Contractor shall provide the Owner 30 days' prior written notice of any cancellation of any insurance policies required under this Section 10 and notice as soon as reasonably practicable of any reduction of available coverage on account of a modification of any insurance policies required under Section 10 or claims paid under such policies.

This Agreement entered into as of the day and year first written above.

Init.

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OWNER (Signature)

(Printed name and title)

CONTRACTOR (Signature)

(Printed name and title)

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AIA® Document A201® – 2017

General Conditions of the Contract for Construction

for the following **PROJECT:**
(Name and location or address)

PCB Remediation Project
Woolworth Building
146 Arsenal St.
Watertown, NY 13601
Architects Project No. 2021-077

THE OWNER:
(Name, legal status and address)

Jefferson County Industrial Development Agency
800 Starbuck Ave.
Watertown, NY 13601

THE ARCHITECT:
(Name, legal status and address)

BCA Architects & Engineers
327 Mullin Street
Watertown, NY 13601

13 **MISCELLANEOUS
PROVISIONS**

14 **TERMINATION OR
SUSPENSION OF
THE CONTRACT**

15 **CLAIMS AND
DISPUTES**

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, Guide for Supplementary Conditions.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as

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binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.2.4 Certain portions of the Specifications are written in condensed outline form and omitted words are to be supplied by inference. Naming of an article or operation shall have the effect of stating "Contractor shall furnish, install and complete" said operation or article unless it is further qualified in the context in which it appears.

§ 1.2.5 When reference is made to specifications of a manufacturer, trade association, governmental agency, reference standard or similar source (such as ASTM, ASA, AISC, ACI, etc.) such is made part of these Specifications, having the force and effect as though reproduced herein, and upon entering into the Contract the Contractor acknowledges his familiarity with those pertaining to his Work.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™-2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

§ 1.9 Miscellaneous Definitions

§ 1.9.1 The term "Product" as used herein includes materials, systems and equipment.

§ 1.9.2 The terms "Install" or "Furnish all labor" are used herein as term contractions and unless specifically noted otherwise are to mean "perform all operations connected with installation of work including unloading materials to be installed, supplying all necessary equipment and rigs to do the work, test, place in operation and service.

§ 1.9.3 The terms "Furnish" or "Furnish all material" are used herein as term contractions and unless specifically noted otherwise are to mean "supply and deliver to the job site all materials and/or equipment so specified.

§ 1.9.4 The word "Provide" is used herein as a term contraction and unless otherwise specifically noted is to mean "furnish, install, connect up complete, test, place in operation and service.

§ 1.9.5 The terms "Approved", "Equal", "Proper" and "Adequate" and words of similar meaning are understood to mean "in the opinion of the architect".

§ 1.9.6 The word "Replace" is used herein as a term contraction and unless otherwise specifically noted is to mean "remove existing and provide new.

ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.1.3 The Owner shall not supervise, direct or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences or procedures of construction or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the furnishing or performance of the Work. Owner will not be responsible for Contractor's failure to perform or furnish the Work in accordance with the Contract Documents.

§ 2.2 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Intentionally Omitted.

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§ 2.2.2 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

(Paragraphs deleted)

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner may retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect and Owner any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect or Owner may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.4 Where equipment lines, piping, conduit or any other systems are shown diagrammatically, the Contractor shall be responsible for the coordination and orderly arrangement of the various lines of piping, conduit, etc. included in the Work of his Contract. It shall coordinate the work of his Subcontractors and prevent all interferences between equipment, lines of piping, architectural features, etc. and avoid any unsightly arrangements in Work whether exposed or concealed. In the event there are other separate Contractors he shall also coordinate the Work of his Contract with the Work of any such separate Contractors.

§ 3.3.5 The Contractor, its employees and Subcontractors shall be subject to such rules and regulations for the conduct of the Work as the Owner may establish. The Contractor shall be responsible for the enforcement among his employees of the Owner's instructions.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.1.1 Contractor shall warrant that it has good title to all materials used by it as part of the Work of this Contract. No materials or supplies shall be purchased by Contractor or any of its Subcontractors that are subject to any chattel mortgage, conditional sale or other agreement by which an interest is retained by Seller.

§ 3.4.1.2 On receipt of a signed Contract, Contractor will be expected to place firm orders with vendors for needed materials in sufficient time to ensure delivery at such times as will ensure speedy and uninterrupted progress of the Work.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.4.4 After the Contract has been executed, the Owner and Architect will consider a formal request for the substitution of products in place of those specified in the Project Specifications.

§ 3.4.5 By making requests for substitutions based on Subparagraph 3.4.4 contained herein, the Contractor:

1. Represents that the Contractor has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified;
2. Represents that the Contractor will provide the same warranty for the substitution that the Contractor would for that specified;
3. Certifies that the cost data presented is complete and includes all related costs under this Contract except the Architects redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent; and
4. Will coordinate the installation of the accepted substitute, making such changes as may be required for the Work to be complete in all respects.

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§ 3.4.6 If in the Project Specifications, two or more kinds, types, brands, manufacturers or materials are named, they are regarded as the required standard of quality, and are presumed to be equal. The Contractor may select one of these items or, if the Contractor desires to use any kind, type, brand, manufacturer or material other than those named in the Specification, he shall indicate in writing, when requested, and prior to award of contract, what kind, type, brand, manufacturer is included in the base bid for the specified item.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. All warranties and guarantees specifically called for by the Specifications shall expressly run to the benefit of Owner. If required by Architect, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the kind and quality of materials and equipment. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with instructions of the applicable Supplier, except as otherwise provided in the Contract Documents.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.5.3 Neither final payment nor any provision in Contract Documents nor partial or entire occupancy of premises by Owner shall constitute an acceptance of work not done in accordance with Contract Documents or relieve the Contractor liability in respect to any express warranties or responsibility for faulty materials or workmanship.

§ 3.5.4 The Contractor shall warrant all materials and operating systems to be free from any defects and faulty equipment for a minimum period of one (1) year from the date of Substantial Completion of the Project.

§ 3.5.5 Neither final Certificate of Payment nor any provision in Contract Documents nor partial or entire occupancy of premises by Owner shall constitute acceptance of Work not performed in accordance with Contract Documents or relieve Contractor of liability in respect to any express warranties or responsibility for faulty materials or workmanship. Upon written notice from Architect or Owner, Contractor shall remedy any defects in the Work, and pay for any damage to other Work resulting therefrom, which shall appear within a period of one (1) year, unless longer period is specified, from the date of Substantial Completion. Notwithstanding anything to the contrary herein contained, it is understood and agreed that the foregoing warranty shall not affect, limit or impair Owner's rights against Contractor with regard to latent defects in the Work which do not appear within the applicable warranty period and which could not, by the exercise of reasonable care and due diligence, be ascertained or discovered by Owner within such warranty period provided that all claims for latent defects shall be asserted within five (5) years after Substantial Completion. Contractor shall be and remain liable and responsible to correct and cure any such latent defects which are reported to Contractor by Owner in writing within ninety (90) days after any such latent defects first appear or could, by the exercise of reasonable care and due diligence, be ascertained or discovered by Owner. Notwithstanding anything to the contrary, if Contractor fails to promptly commence and diligently perform and complete all corrective Work required hereunder, Owner shall have the right (but not the obligation) in each instance, at Owner's election, to cause such corrective Work to be done by others and recover the costs thereof, together with damages and reasonable attorneys' fees, from Contractor, in addition to all other rights and remedies available to Owner against Contractor hereunder and at law and in equity for such default by Contractor.

§ 3.5.6 All guarantees or warranties upon any Work, labor, materials, or equipment by any subcontractor or supplier of Contractor shall be deemed made by Contractor to Owner. The Contractor shall obtain and furnish to the Owner written manufacturer's warranties for all major materials, systems and equipment. All factory and manufacturers' guarantees and warranties shall be assigned by Contractor to Owner and all such warranty documents shall be delivered by Contractor to Owner prior to final payment by Owner hereunder; provided, however, that no such assignment of factory or manufacturers' warranties shall release or relieve Contractor from any of its warranty obligations or liability hereunder. Contractor shall obtain the manufacturer's warranty for all major materials, systems and equipment, including the plumbing, electrical, HVAC and roof systems and components and all structural components for the longest period available, and shall obtain consent to the assignment of the same to Owner; provided, however, if such extended warranty exceeds that required by the Plans and Specifications, Contractor shall notify Owner thereof and of any additional cost for such extended warranty and if Owner elects to obtain such extended warranty, such excess cost shall be paid by Owner; if no term is specified, the terms shall be a minimum of one year, but not less than the standard period of the manufacturer's

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warranty for the item. Contractor covenants to perform the Work in such a manner as to preserve any and all such warranties. The provisions of this subparagraph shall survive Owner's final acceptance of the Project.

§ 3.5.7 Any and all warranties and guarantees provided herein shall be assignable to any person or entity that succeeds Owner in the ownership of the premises.

§ 3.5.8 Should the Contractor be required to correct any defects or damage, under the provisions of this Article, he further agrees to make good, without cost to the Owner, and subsequent defects in the work or materials furnished or built by him, or damage due to faulty workmanship or materials in the work furnished or built by him, which occur within a one-year period after the original defect or damage is corrected or replaced, but such additional guarantee shall apply only to the actual facility, material or structure initially found to be defective or damaged.

All related components of the work under this Contract not showing defects or damage within one year of the Date of Substantial Completion shall be exempt from the addition guarantee, except that the original guarantee on a related component shall be extended for a period of time corresponding to the period of non-use of such component if it cannot be used due to the condition of the defective work, and/or due to the repair or replacement of such work.

§ 3.5.9 Contractor shall perform all Work in accordance with and in compliance with all applicable federal, state and local rules, regulations, agency directives and courts orders, and with all applicable rules, regulations, bylaws, policies and procedures of the Owner.

§ 3.5.10 In emergencies occurring during the guarantee period, the Owner may correct any defect immediately and charge the cost to the Contractor. The Owner shall at once notify the Contractor, who may take over the Work and make any corrections remaining after his forces arrive at the Work. Repair work not started within seven days following notice to the Contractor of any defect may be considered an emergency.

§ 3.6 Taxes

The Owner is exempt from payment of federal, state, and local taxes; sales and compensating use taxes of the State of New York and of cities and counties on all materials and supplies incorporated into the completed Work. This exception does not apply to tools, machinery, equipment or other property leased by or to the Contractor or a Subcontractor, or to supplies and materials which, even though they are consumed, are not incorporated in to the completed Work, and the Contractor and Subcontractors shall be responsible for and pay any and all applicable taxes, including sales and compensating use taxes, on said leased tools, machinery, equipment or other property and upon all said unincorporated supplies and materials. Owner shall provide the tax exemption certificate for the Project.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 The Owner shall be responsible for third party inspections, or other Owner testing and inspections. Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Architect shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

Contractor agrees that before making his proposal he carefully examined the Contract Documents, together with the site of the proposed work, as well as its surrounding territory, is fully informed regarding all of the conditions affecting the work to be done and labor and materials to be furnished for the completion of this contract.

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first

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observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.2 Intentionally omitted.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.10.4 Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Contractor.

§ 3.11 Documents and Samples at the Site

§ 3.11.1 The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.11.2 Contractor shall provide a set of reproducible record drawings showing significant changes in the Work made during construction based on marked-up prints, Drawings and other data including, but not limited to location of water, sewer, telephone, electric, gas and any other utility lines as they relate to the Project. If the Contractor fails to provide such drawings, the Architect shall do so as an additional service and the Contractor will be required to pay the costs of the Architect providing such service.

§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste

materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located, consistent with applicable laws.

§ 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent by permitted by law, the Contractor shall indemnify, defend and hold harmless the Owner, Owner's consultant's, Architect, Architect's consultants, and each of their respective representatives, employees, directors, officers, and agents, from and against any and all claims, suits, actions, debts, damages, fines, penalties, costs, charges and expenses, including attorneys' fees and court costs, arising out of, relating to or resulting from the Work, including, but not limited to, bodily injury and/or property damage, to the extent caused, in whole or in part, by acts, actions, omissions, negligence, fault or breach of the Contractor, its employees, agents, subcontractors, suppliers and/or materialmen, regardless of whether or not such claim is caused in part by a party indemnified hereunder.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

§ 3.18.3 The Contractor agrees to include the following or similar indemnity provision in each and every contract it enters into with a subcontractor, and to require that subcontractor to include such provision in each contract it enters into with any lower tier subcontractor: "To the fullest extent permitted by law, Subcontractor shall indemnify, defend and hold harmless the Contractor, Owner, Owner's consultant's, Architect, Architect's consultants, and each of their respective representatives, employees, directors, officers, and agents, from and against any and all claims, suits, actions, debts, damages, fines, penalties, costs, charges and expenses, including attorneys' fees and court costs, arising out of, relating to or resulting from the performance of this Subcontract, including, but not limited to, bodily injury and/or property damage, to the extent caused, in whole or in part, by acts, actions, omissions, negligence, fault or breach of the Subcontractor, its employees, agents, subcontractors, suppliers and/or materialmen, regardless of whether or not such claim is caused in part by a party indemnified hereunder."

§ 3.19 Site Conditions Investigated

§ 3.19.1 The Contractor acknowledges he has satisfied himself as to the nature and location of the Work, the general and local conditions, particularly those bearing on transportation, disposal, handling and storage of materials, availability of labor, materials, equipment, utilities, roads, weather, ground water table, character of surface conditions, the facilities needed to prosecute the Work, and all other factors which in any way affect the Work or the cost thereof under this Contract. Any failure by the Contractor to acquaint itself with the available information concerning these conditions will not relieve it from the responsibility of successfully performing work and the Contractor shall make no claim against the Owner or Architect with respect to the same.

§ 3.20 Construction Stresses

§ 3.20.1 The Contractor shall be solely responsible for the construction stresses which develop during construction due to the fault of the Contractor and not a result of the design document requirements, and in the event any structure is dislocated,

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over strained, or damaged so as to affect its usefulness, the Contractor shall be solely responsible to the extent the damage is due to the fault of the Contractor and not a result of the design document requirements.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to

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permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to

those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.1.4 The Contractor shall not be entitled to receive any additional compensation or extension of time for changes in the work, unless the changes are acknowledged in writing by the parties. If the Contractor performed a change in the work without such written acknowledgment, the Contractor shall be deemed to have waived any claim for any additional compensation or extension of time for changes in the work.

§ 7.1.5 In no case shall the Contractor delay the progress of the Work, or any part thereof, in response to changes in the Work or disputes caused by proposed or ordered changes in the Work, or any disputes or disagreements as to equitable value of the changes.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

(Paragraphs deleted)

§ 7.2.2 Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the Work which is the subject of the Change Order, including, but not limited to, all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and the construction schedule.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion and to complete the Work so that it is ready for final payment as evidenced by the Architect.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Contractor shall be responsible for all direct damages to Owner and Architect arising from any delay of Contractor, its Subcontractors and

suppliers, in performing or completing the Work in accordance with the time requirements of paragraph 8.2. The indemnity provisions of Article 3 and 11 are applicable to such damages and to claims arising in respect thereto.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; (4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5) by other causes that the Contractor asserts, and the Architect determines, justify delay, then the Contract Time shall be extended for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 As of the date of this Agreement, certain markets providing certain materials to the Project (the "Potentially Time and Price Impacted Materials"), may experience significant, industry-wide economic fluctuation during the performance of this Agreement that may impact price, availability and delivery time frames. The parties have identified wire mesh and concrete are susceptible materials at the time of execution of this contract. If wire mesh and/or concrete price significantly increase, through no fault of the Contractor, the Contract Price shall be equitably adjusted upward by an amount appropriate and necessary to cover the actual price increases. As used herein, a significant price increase shall mean any increase in price to Potentially Time and Price-Impacted Materials that is 5% or more than the relevant index or material quote at time of contract price preparation for each applicable Potentially Time and Price-Impacted Material(s). The increase for any Potentially Time and Price Impacted Materials will be at actual cost, without further markup. Contractor shall give written notice to the Owner of any significant price increases to Potentially Time and Price-Impacted Materials and such price increases shall be documented to illustrate the price impact. If Contractor purchases the subject Potentially Time and Price Impacted Materials without prior written approval from Owner, then Contractor shall have waived its right to request an increase to the contract. Contractor shall confer with Owner regarding pre-ordering any materials that it anticipates may increase if not ordered in advance. Owner understands that the Contract assumes approval for billing of stored materials. Given the volatility of the current market, it is necessary to procure materials in advance when possible, and store them off site. Should Owner deny billing of stored materials, the Contract Price is subject to change due to the inability of subcontractors and suppliers to purchase materials at the prices used to establish this Contract.

§ 8.3.4 Notwithstanding anything to the contrary in the Contract Documents, an extension of the Contract Time and an appropriate adjustment to the Contract Sum for actual costs incurred by the Contractor, to the extent permitted under Paragraph 8.3.1 and paragraph 8.3.3 shall be the sole remedy of the Contractor for any (1) delay in the commencement, prosecution or completion of the Work, (2) hindrance or obstruction in the performance of the Work, (3) loss of productivity; or (4) any delay-related claim (collectively referred in this subparagraph 8.3.3 as "Delay") whether or not such Delay is foreseeable. In no event shall the Contractor be entitled to any compensation or recovery of any consequential damages or overhead costs in connection with any Delay.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.3.4 Along with its Application for Payment, Contractor shall submit to Architect a written acknowledgement of payment and waiver of lien rights with respect to the Application for Payment submitted. Contractor shall also submit acknowledgments of payment and waiver of lien rights from each of its Subcontractors for the time period through and including the Application for Payment being submitted the Contractor. Architect shall hold all acknowledgments of payment and waiver of lien rights in escrow until the applicable payment has been made by the Owner.

§ 9.3.5 Along with its Application for Payment, Contractor shall submit to Architect its certified payroll records.

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately.

§ 9.8 Substantial Completion

§ 9.8.1 The Date of Substantial Completion of the Project or a designated portion thereof is the date when construction is sufficiently complete in accordance with the Drawing and Specifications so the Owner can occupy or utilize the entire Project (or such portion thereof as Owner earlier elects to occupy or utilize) for the use for which it is intended. Substantial Completion shall not be deemed to exist until the Owner receives a Certificate of Occupancy for the Project (or such portion as elected by Owner), and the Contractor, architect and Owner have agreed upon a schedule to provide the Owner with all as built drawings, operating manuals and warranties. Warranties called for by the Agreement or by the Drawings and Specifications shall commence on the date of Substantial Completion of the Project or designated portion thereof, or any later date that the parties agree. This date shall be established by a Certificate of Substantial Completion signed by the Owner, Architect and Contractor and shall state their respective responsibilities for security, maintenance, hear utilities, damage to the Work and insurance. This Certificate shall also list the items to be completed or corrected together with a price for each time and a time for their completion and correction.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Owner shall have

the right to exclude Contractor from the Work after the date of Substantial Completion, but Owner shall allow Contractor reasonable access to complete or correct items on the tentative list.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete and upon receipt of a Final Application for Payment, Architect will make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies. When the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with

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the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, and (6) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees. Upon demand by the Owner, Contractor shall provide and file a bond for discharge of any lien, as required by Lien Law, State of New York, Section 21.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents;
- .3 terms of special warranties required by the Contract Documents; or
- .4 audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment. Owner has the right to demand such waiver in writing from Contractor as a condition precedent to making final payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings

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against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards. The Contractor is expressly obligated to protect any adjacent property and its improvements from damage.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.2.9 Contractor shall comply with all the New York State, Federal and U.S. Department of Labor Occupational Safety and Health Administration (OSHA) laws, rules, order and regulations regarding COVID workplace safety and related return to work requirements applicable to the Contractor, including, but not limited to, recommended social distancing, use of personal protective equipment ("PPE"), workplace sanitization, workplace safety plans and the submission of any government required affirmations regarding COVID workplace safety measures.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work and take reasonable precautions to avoid further contamination or the spread or disturbance of the potentially hazardous substance or material in the affected area and notify the Owner and Architect of the condition.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written

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agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances. Unless required by the Contract Documents, the Contractor shall not be required to perform without its consent, any Work relating to a hazardous material or substance, provided that such Contractor consent shall not be unreasonably withheld.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or companies licensed to do business in the state in which the Project is located and one to which the Owner has no reasonable objection. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the

procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.1.5 Schedule of Insurance

- .1 WORKERS COMPENSATION - A policy covering the obligations of the Contractor in accordance with the Workers Compensation Law and the Disability Benefits Law covering all operations under this Contract whether performed by the Contractor or its Subcontractors."
- .2 COMPREHENSIVE GENERAL LIABILITY - Written on an occurrence basis with coverage issued to and covering the liability of the Contractor and each Subcontractor for all the work and operations relating thereto and all obligations assumed by Contractor, under this Contract, in an amount which shall not be less than the following limits:
 - (a) Bodily Injury and Property Damage

Each Occurrence	\$1,000,000.
General Aggregate	\$2,000,000.
 - (b) Products & Completed Operations

Aggregate	\$2,000,000.
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 - (c) Personal & Advertising Injury

Each Occurrence	\$1,000,000.
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 - (1) Premises Operations - Issued to and including coverage for Bodily Injury and Property Damage due to losses caused by explosion, collapse and underground.
 - (2) Products & Completed Operations - Issued to and including coverage for claims that may arise after the Work has been completed and he has vacated the premises. This insurance shall remain in effect for one (1) year after Final Completion of the Project.
 - (3) Contractual Liability - Issued to and covering liability for damages imposed under this Contract upon each Subcontractor directly or indirectly affecting operations under this Contract or used for services thereof.
 - (4) If requested by Owner, Contractor shall maintain separate scaffolding and demolition insurance.
 - (d) If the CGL coverage contains a General Aggregate Limit, such General Aggregate shall apply separately to each project and location.
 - (e) CGL coverage shall be written on ISO Occurrence form CG00 01 (10/93) or a substitute form providing equivalent coverage and shall cover liability arising from premises and operations, independent contractors, products & completed operations, personal and advertising injury and liability an insured contract (including the tort liability of another assumed in a business contract).
 - (f) Owner and all other parties as shall be required by Owner to be an additional insured, shall be included as an additional insured on ISO Additional Insured Endorsement CG 20 10 (11/85) or both CG 20 10 (7/04) and CG 2037 (7/04) or an equivalent coverage to the additional insured. Insurance for the additional insured shall be as broad as the coverage provided for the named insured. It shall apply as primary insurance on a non-contributing basis before any other insurance or self-insurance, including any deductible, maintained by or provided to, the additional insured.
 - (g) There shall be no endorsement or modification of Contractor's CGL policy arising from pollution, explosion, collapse, underground property damage of work performed by Contractor.
- .3 AUTOMOBILE LIABILITY - Bodily, Injury and Property damage Insurance covering all automobiles, trucks, tractors, trailers, motorcycles or other automotive equipment whether owned or rented by the Contractor or by employees of the Contractor.
 - (a) Liability Limit: each accident \$1,000,000.
- .4 UMBRELLA LIABILITY - Contractor shall be required to provide Bodily Injury and Property Damage Insurance limits in excess of those limits shown herein. The additional limits shall be as follows:
 - (a) Each Occurrence: \$5,000,000.
 - (b) Aggregate: \$5,000,000.
 - (c) Retained Limit: \$ 10,000.
- .5 The Contractor shall name the Owner and Architect as an additional insured in all insurance for the

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.6 The Owner and Architect shall be indemnified by the Contractor as required by paragraph 3.18 INDEMNIFICATION, of these General Conditions.

§ 11.1.6 Where the Contract or Subcontract involves asbestos, the insurance required by paragraph 11.1 shall specifically include the words asbestos abatement work and shall specify any limitations on completed operation time period. If there is a limitation it will be at the Owner's discretion to accept or reject that limitation.

§ 11.1.7 Insurance must remain in effect at least until final payment and at all times thereafter when Contractor may be correcting, removing or replacing defective Work.

§ 11.1.8 The submittal of the Certificates of Insurance shall include a disclosure of any prior and/or pending claims against the submitted policies. In addition, the Contractor shall immediately make known to the Owner, any subsequent claims against the aforementioned policies.

§ 11.1.9 Contractor shall provide Owner with performance and labor and material payment bonds guarantying faithful performance of the Contract and payment of obligations arising thereunder from an acceptable surety company in the penal sum of 100% of the Contract Sum.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

(Paragraphs deleted)

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

§ 11.3.2 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner shall purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§ 11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

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§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.2.4 Upon request by the Owner and prior to the expiration of one year from the date of Substantial Completion, the Architect will conduct and the Contractor shall attend a meeting with the Owner to review the facility operations and performance.

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§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.2.6 If Contractor fails to cure any defective work under this Article 12, Owner may, at its option, perform such cure itself or another source and Contractor shall reimburse Owner for all costs incurred by Owner. All such work shall be warranted by Contractor as provided in Section 12.2.2.1, or, at Owner's option, Contractor shall reimburse Owner for its cost in obtaining equivalent warranty coverage from third-parties performing the work.

§ 12.2.7 In case of emergencies occurring during the one year period for correction of work, the Owner may correct any defect immediately and charge the cost to the Contractor. The Owner shall notify the Contractor, who may take over the Work and make any corrections remaining after its forces arrive on site.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public

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authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped; or
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents, but only where the Owner or Architect has not given notice to the Contractor that it is withholding payment to such extent as may be necessary in the Owner's opinion to protect the Owner from a loss for which the Contractor is responsible for Work not performed in accordance with Contract Documents, including, but not limited to, all acts and omissions described in Section 9.5.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

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§ 14.1.3 If one of the reasons described in Section 14.1.1 or Section 14.1.2 exists, the Contractor may, upon ten days' written notice to the Owner and Architect, terminate the Contract and recover from Owner payment for Work performed up to the date of termination.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor seven days' notice, terminate employment of the Contractor and may:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. This obligation for payment shall survive termination of the Contract.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include reasonable overhead and profit on the costs caused by the suspension. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and

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- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

(Paragraph deleted)

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; and costs incurred by reason of the termination, including costs attributable to termination of Subcontracts.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

Claims by either the Owner or the Contractor must be initiated by written notice to the other party and the Initial Decision Maker. Claims by the Contractor must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the Contractor first recognizes the condition giving rise to the Claim, whichever is earlier. Claims by the Owner must be initiated within a reasonable time after occurrence of the event giving rise to such claim or after the Owner recognizes the condition giving rise to the Claim.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims under this Section 15.1.3.1 by the Contractor must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the Contractor first recognizes the condition giving rise to the Claim, whichever is earlier. Claims by the Owner must be initiated within a reasonable time after occurrence of the event giving rise to such claim or after the Owner recognizes the condition giving rise to the Claim.

(Paragraph deleted)

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

(Paragraph deleted)

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may with the Owner's written approval, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests the Contractor to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both.

§ 15.2.6 Either party may file for mediation of an initial decision at any time.

(Paragraph deleted)

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 Mediation

§ 15.3.1 Direct Discussions. If the Parties cannot reach resolution on a matter relating to or arising out of this Agreement, the Parties shall endeavor to reach resolution through good faith direct discussions between the Parties'

representatives, who shall possess the necessary authority to resolve such matter and who shall record the date of first discussions. If the Parties' representatives are not able to resolve such matter within five (5) Business Days from the date of first discussion, the Parties' representatives shall immediately inform senior executives of the Parties in writing that a resolution could not be reached. Upon receipt of such notice, the senior executives of the Parties shall meet within five (5) Business Days to endeavor to reach resolution. If the dispute remains unresolved after fifteen (15) Days from the date of first discussion, the Parties shall submit such matter to the dispute resolution procedures below.

§ 15.3.1.1 All Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation at the sole discretion of the Owner. Upon the Contractor's notice of mediation, the Owner shall have 30 days to elect that the Claims, disputes, or other matters in controversy noticed in the mediation demand not be subject to mediation as a precondition for the commencement of litigation. The Owner shall have no obligation to pay for and will not be responsible for any share of the mediator's fee and/or any filing fees for the mediation if the Contractor filed the mediation demand with a third party without approval by the Owner and the Owner elects to not proceed with the mediation as provided in this Section.

§ 15.3.2 Subject to Section 15.3.1.1, the parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.

§ 15.3.4 Subject to Section 15.3.1.1, the parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

(Paragraphs deleted)

ARTICLE 16 SPECIAL CONDITIONS

(Paragraph deleted)

§ 16.1 Equal Opportunity

§ 16.1.1 The Contractor shall maintain policies for equal employment opportunity for construction employment. During performance of the Agreement, the Contractor agrees as follows below.

(Paragraph deleted)

§ 16.1.2 The Contractor and the Contractor's Subcontractors shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. The Contractor shall take affirmative action to insure that employees are treated during employment without regard to their race, religion, color, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship and on-the-job training.

§ 16.1.3 The Contractor will post and keep posted in conspicuous places, for employees and applicants for employment, notices obtained by the Contractor from the New York State Division of Human Rights as set forth in the General Regulations of that Division at 9 NYCRR 466.1(a), such conspicuous places to be as defined in 9 NYCRR 466.1(b), and such other postings as that Division may require with respect to New York State's laws, codes, rules, and regulations governing discrimination in employment.

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(Paragraph deleted)

§ 16.1.4 The Contractor will state in all solicitations or advertisements for employees placed by, or on behalf, of the Contractor, that all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color or national origin.

ARTICLE 17 NEW YORK STATE LABOR LAW REQUIREMENTS

§ 17.1 Working Hours

§ 17.1.1 The Contractor specifically agrees to comply with the requirements of the New York State Labor Law ("Labor Law"), Sections 220 and 220-d, as amended, or as authorized by the NYS Department of Labor, including, but not limited to, the requirements that:

1. No laborer, worker, or mechanic in the employ of the Contractor, Subcontractor or other person doing or contracting to do the whole or any part of the work included in the Contract Documents shall be permitted or required to work more than eight hours in any one calendar day or more than five (5) days in any one week, except to the extent permitted in the case of extraordinary emergencies described in the Labor Law, or as authorized by the NYS Department of Labor.
2. The wages to be paid to each laborer, worker, or mechanic in the employ of the Contractor, Subcontractor, or other person doing or contracting to do all or any part of the work included in the Contract Documents for a legal day's work shall be not less than the prevailing rate of wages as defined by the Labor Law, or as authorized by the NYS Department of Labor.
3. Each laborer, workman or mechanic employed by the Contractor, a Subcontractor, or other person doing or contracting to do all or any part of the work included in the Contract Documents shall be provided the supplements required by Article 8 of the Labor Law, or as authorized by the NYS Department of Labor.
4. The minimum hourly rate of wage to be paid shall be not less than that stated in the Contract Documents, and shall be as designated by the Industrial Commissioner or as authorized by the NYS Department of Labor.
5. The Contractor's and any Subcontractor's or other person's filing of payrolls in a manner prescribed by subdivision 3-a of Section 220 of the Labor Law shall be a condition precedent to the Owner's payment of any sums due and owing to the Contractor, Subcontractor or other party for work done on or with respect to the Project.

§ 17.2 Wage Rates

§ 17.2.1 The Contractor specifically agrees, as required by the Labor Law, that the contract may be forfeited and no sum paid for any work done thereunder on a second conviction for willfully paying less than:

1. the prevailing wage rates as provided in Labor Law Section 220(3) as amended, or,
2. the minimum wage rates as provided in Labor Law Section 220-d, as amended.

§ 17.2.2 Contractor shall comply with prevailing wage rates as issued by the State of New York Department of Labor for the location and duration of this Project. Current wage rates for this project are included in the Project Manual as part of the Contract Documents.

§ 17.2.3 The Contractor shall comply with all the requirements of the Labor Law Section 220-a, as amended, regarding mandatory submission of certified payroll records, which shall be included with each application for payment.

§ 17.3 Anti-Discrimination

§ 17.3.1 The Contractor specifically agrees, as required by the provisions of Section 220-e of the Labor Law, as amended, that:

1. In the hiring of employees for the performance of work under the Contract or any subcontract hereunder, no contractor, subcontractor, nor any person acting on behalf of such contractor or subcontractor, shall by

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reason of race, creed, color, sexual orientation, or national origin discriminate against any citizen of the State of New York who is qualified and available to perform -the work to which the employment relates;

2. No contractor, subcontractor, nor any person on his behalf, shall in any manner, discriminate or intimidate any employee hired for the performance of work under the contract on account of race, creed, color, sexual orientation, or national origin.

3. There may be deducted from the amount payable to the Contractor by the Owner under the contract a penalty at fifty dollars for each person for each calendar day during which such person was discriminated against or intimidated in violation of the provisions of the contract; and

4. The contract may be canceled or terminated by the Owner, and all monies due or to become due thereunder may be forfeited for a second or any subsequent violation of the terms or conditions of this section of the contract.

§ 17.4 Sexual Harassment Training

§ 17.4.1 Contractor hereby certifies that each employee assigned by the Contractor to the Project shall annually complete Sexual Harassment Prevention Training that meets or exceeds Section 201-g of the New York Labor Law. Upon request by the Owner, Contractor shall provide Owner with a copy of Contractor's Sexual Harassment Prevention Training Program and proof of each employee's annual completion of such Sexual Harassment Prevention Training. Contractor shall indemnify, defend and hold Owner and Owner's employees, officers, directors and board members harmless from and against any and all claims, suits, actions, debts, liabilities, fines, penalties and expenses, including, attorneys' fees, arising from or caused by Contractor or any of Contractor's employees, subcontractors, suppliers or agents failure to comply with Section 201-g of the New York Labor Law.

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