



AIA[®] Document A232[™] – 2009

General Conditions of the Contract for Construction, Construction Manager as Adviser Edition

GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION

(This Standard Form of Agreement has been amended for use in the Cayman Islands – February 2010)

for the following PROJECT:

(Name, and location or address)

New High Schools Project comprising of:

Site 1: John Gray Campus

Site 2: Clifton Hunter Campus

THE CONSTRUCTION MANAGER:

(Name, legal status and address)

To Be Determined

THE OWNER:

(Name, legal status and address)

Government of the Cayman Islands acting herein and represented by the Ministry of Education, Training and Employment.

3rd floor Royal Plaza

Cardinal Avenue

George Town, Grand Cayman

THE ARCHITECT:

(Name, legal status and address)

OWP/P Cannon Design, Inc.

111 West Washington Street, Suite 2100

Chicago, Illinois 60602-2714

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.

This document is intended to be used in conjunction with AIA Documents A132[™]–2009, Standard Form of Agreement Between Owner and Contractor, Construction Manager as Adviser Edition; B132[™]–2009, Standard Form of Agreement Between Owner and Architect, Construction Manager as Adviser Edition; and C132[™]–2009, Standard Form of Agreement Between Owner and Construction Manager as Adviser.

Init.

| TABLE OF ARTICLES

1	GENERAL PROVISIONS
2	OWNER
3	CONTRACTOR
4	ARCHITECT AND CONSTRUCTION MANAGER
5	SUBCONTRACTORS
6	CONSTRUCTION BY OWNER OR BY OTHER CONTRACTORS
7	CHANGES IN THE WORK
8	TIME
9	PAYMENTS AND COMPLETION
10	PROTECTION OF PERSONS AND PROPERTY
11	INSURANCE AND BONDS
12	UNCOVERING AND CORRECTION OF WORK
13	MISCELLANEOUS PROVISIONS
14	TERMINATION OR SUSPENSION OF THE CONTRACT
15	CLAIMS AND DISPUTES

Init.

/

INDEX

(Topics and numbers in bold are section headings.)

Acceptance of Nonconforming Work

9.6.6, 9.9.3, **12.3**

Acceptance of Work

9.6.6, 9.8.2, 9.9.3, 9.10.1, 9.10.3, **12.3**

Access to Work

3.16, 6.2.1, 12.1

Accident Prevention

10

Acts and Omissions

3.2.1, 3.2.2, 3.3.2, 3.12.8, 3.18, 8.3.1, 9.5.1, 10.1, 10.2.5, 13.4.2, 13.7

Addenda

1.1.1, 3.11, 4.2.14

Additional Costs, Claims for

3.2.4, 3.7.4, 3.7.5, 6.1.1, 7.3, 9.10.3, 9.10.4, 10.3, 10.4, 15.1.4

Additional Inspections and Testing

4.2.8, 12.2.1, 13.5

Additional Insured

11.1.4

Additional Time, Claims for

3.7.4, 3.7.5, 6.1.1, 7.3, 8.3, 10.3

Administration of the Contract

3.10, **4.2**

Advertisement or Invitation to Bid

1.1.1

Aesthetic Effect

4.2.19

Allowances

3.8, 7.3.8

All-risk Insurance

11.3.1, 11.3.1.1

Applications for Payment

4.2.7, 4.2.15, 7.3.9, 9.2, **9.3**, 9.4, 9.5.1, 9.7, 9.8.3, 9.10.1, 9.10.3, 9.10.5, 11.1.3, 14.2.4

Approvals

2.1.1, 2.2.2, 2.4, 3.1.4, 3.10.1, 3.10.2, 3.12.4 through 3.12.10, 3.13.2, 3.15.2, 4.2.9, 9.3.2, 13.4.2, 13.5

Arbitration

8.3.1, 11.3.10, 13.1.1, 15.3.2, **15.4**

ARCHITECT

4

Architect, Certificates for Payment

9.4

Architect, Definition of

4.1.1

Architect, Extent of Authority

5.2, 7.1.2, 7.3.7, 7.4, 9.3.1, 9.4, 9.5, 9.8.3, 9.8.4, 9.10.1, 9.10.3, 12.1, 12.2.1, 13.5.1, 13.5.2, 15.1.3, 15.2.1

Architect, Limitations of Authority and Responsibility

2.1.1, 3.12.8, 4.2.1, 4.2.2, 4.2.8, 4.2.13, 5.2.1, 9.6.4, 15.2

Architect's Additional Services and Expenses
2.4, 11.3.1.1, 12.2.1, 12.2.4, 13.5.2

Architect's Administration of the Contract

4.2, 9.4, 9.5, 15.2

Architect's Approvals

3.12.8

Architect's Authority to Reject Work

4.2.8, 12.1.2, 12.2.1

Architect's Copyright

1.5

Architect's Decisions

4.2.8, 7.3.9, 7.4, 8.1.3, 8.3.1, 9.2, 9.4, 9.5, 9.8.3, 9.9.2, 13.5.2, 14.2.2, 14.2.4, 15.2

Architect's Inspections

3.7.4, 4.2, 9.8.3, 9.9.2, 9.10.1, 13.5

Architect's Instructions

3.2.4, 7.4, 9.4

Architect's Interpretations

4.2.8, 4.2.17, 4.2.18

Architect's On-Site Observations

4.2.2, 9.4, 9.5.1, 9.10.1, 12.1.1, 12.1.2, 13.5

Architect's Project Representative

4.2.16

Architect's Relationship with Contractor

1.1.2, 1.5, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2, 3.5, 3.7.4, 3.9.2, 3.9.3, 3.10, 3.11, 3.12.8, 3.16, 3.18, 4.2, 5.2, 6.2.2, 8.2, 11.3.7, 12.1, 13.5

Architect's Relationship with Construction Manager

1.1.2, 9.3 through 9.10, 10.3, 13.5.1, 10.3, 11.3.7, 13.4.2, 13.5.4

Architect's Relationship with Subcontractors

1.1.2, 4.2.8, 5.3, 9.6.3, 9.6.4

Architect's Representations

9.4, 9.5, 9.10.1

Architect's Site Visits

4.2.2, 9.4, 9.5.1, 9.8.3, 9.9.2, 9.10.1, 13.5

Asbestos

10.3.1

Attorneys' Fees

3.18.1, 9.10.2, 10.3.3

Award of Other Contracts

6.1.1, 6.1.2

Award of Subcontracts and Other Contracts for Portions of the Work

5.2

Basic Definitions

1.1

Bidding Requirements

1.1.1, 5.2.1, 11.4.1

Binding Dispute Resolution

9.7, 11.3.9, 11.3.10, 13.1, 15.2.5, 15.2.6.1, 15.3.1, 15.3.2, 15.4.1

Boiler and Machinery Insurance

11.3.2

BONDS, INSURANCE AND

11

Bonds, Lien

7.3.7.4, 9.10.3

Bonds, Performance and Payment

7.3.7.4, 9.6.7, 9.10.3, 11.3.9, 11.4

Building Permit

2.2.2, 3.7.1

Capitalization

1.3

Certificate of Substantial Completion

9.8.3, 9.8.4, 9.8.5

Certificates for Payment

4.2.2, 9.3.3, **9.4**, 9.5, 9.6.1, 9.6.6, 9.7, 9.10.1, 9.10.3,

15.1.3

Certificates of Inspection, Testing or Approval

13.5.4

Certificates of Insurance

9.3.2, 9.10.2, 11.1.3

Change Orders

1.1.1, 2.4, 3.4.2, 3.7.4, 3.8.2, 3.11, 3.12.8, 4.2.12,

4.2.13, 4.2.14, 5.2.3, 7.1.1, 7.1.2, **7.2**, 7.3.2, 7.3.4,

7.3.6, 7.3.9, 7.3.10, 8.3.1, 9.3.1.1, 9.10.3, 10.3.2,

11.3.1.2, 11.3.4, 11.3.9, 12.1.2, 15.1.3

Change Orders, Definition of

7.2

Changes

7.1

CHANGES IN THE WORK

2.2.1, 3.4.2, 3.11, 3.12.8, 4.2.13, 4.2.14, **7**, 8.3.1,

9.3.1.1

Claims, Definition of

15.1.1

CLAIMS AND DISPUTES

1.1.8, 3.2.4, 3.7.5, 6.1.1, 7.3.9, 8.3.2, 9.3.3, 9.10.3,

9.10.4, 10.3.3, **15**, 15.4

Claims for Additional Cost

3.2.4, 3.7.5, 6.1.1, 7.3.9, 9.10.3, 9.10.4, 10.3.2, 10.4,

15.1.4

Claims for Additional Time

3.2.4, 3.7.5, 7, 8.3.2, 10.4, **15.1.5**

Concealed or Unknown Conditions, Claims for

3.7

Claims for Damages

3.2.4, 3.18, 6.1.1, 6.2.5, 8.3.2, 9.3.3, 9.5.1.2, 9.10.2,

9.10.5, 10.3.3, 11.1.1, 11.3.5, 11.3.7, 15.1.6

Cleaning Up

3.15, 6.3

Commencement of Statutory Limitation Period

13.7

Commencement of the Work, Definition of

8.1.2

Communications, Owner to Architect

2.2.6

Communications, Owner to Construction Manager

2.2.6

Communications, Owner to Contractor

2.2.6

Communications Facilitating Contract

Administration

3.9.1, **4.2.6**

COMPLETION, PAYMENTS AND

9

Completion, Substantial

4.2.15, 8.1.1, 8.1.3, 8.2.3, 9.4.3.3, **9.8**, 9.9.1, 9.10.3,

12.2.1, 12.2.2, 13.7

Concealed or Unknown Conditions

3.7.4, 4.2.8, 8.3.1, 10.3

Conditions of the Contract

1.1.1

Consolidation or Joinder

15.4.4

CONSTRUCTION BY OWNER OR BY OTHER

CONTRACTORS

1.1.4, **6**

Construction Change Directive, Definition of

7.3.1

Construction Change Directives

1.1.1, 3.4.2, 3.12.8, 4.2.12, 4.2.13, 7.1.1, 7.1.2, 7.1.3,

7.3, 9.3.1.1

Construction Manager, Building Permits

2.2.2

Construction Manager, Communications through

4.2.6

Construction Manager, Construction Schedule

3.10.1, 3.10.3

CONSTRUCTION MANAGER

4

Construction Manager, Definition of

4.1.2

Construction Manager, Documents and Samples at the

Site

3.11

Construction Manager, Extent of Authority

3.12.7, 3.12.8, 4.1.3, 4.2.1, 4.2.4, 4.2.5, 4.2.9, 7.1.2,

7.2, 7.3.1, 8.3, 9.3.1, 9.4.1, 9.4.2, 9.4.3, 9.8.2, 9.8.3,

9.8.4, 9.9.1, 12.1, 12.2.1, 14.2.2, 14.2.4

Construction Manager, Limitations of Authority and

Responsibility

4.2.5, 4.2.8, 13.4.2

Construction Manager, Submittals

4.2.9

Construction Manager's Additional Services and

Expenses

12.2.1

Construction Manager's Administration of the

Contract

4.2, 9.4, 9.5

Construction Manager's Approval

2.4, 3.10.1, 3.10.2

Init.

Construction Manager's Authority to Reject Work
4.2.8, 12.2.1

Construction Manager's Decisions
7.3.7, 7.3.9, 9.4.1, 9.5.1

Construction Manager's Inspections
4.2.8, 9.8.3, 9.9.2

Construction Manager's On-Site Observations
9.5.1

Construction Manager's Relationship with Architect
1.1.2, 4.2.1, 4.2.7, 4.2.8, 4.2.9, 4.2.13, 4.2.15, 4.2.16,
4.2.20, 9.2.1, 9.4.2, 9.5, 9.6.1, 9.6.3, 9.8.2, 9.8.3,
9.8.4, 9.9.1, 9.10.1, 9.10.2, 9.10.3, 11.1.3, 12.2.4,
13.5.1, 13.5.2, 13.5.4, 14.2.2, 14.2.4

Construction Manager's Relationship with Contractor
3.2.2, 3.2.3, 3.3.1, 3.5, 3.10.1, 3.10.2, 3.10.3, 3.11,
3.12.5, 3.12.6, 3.12.7, 3.12.8, 3.12.9, 3.12.10, 3.13.2,
3.14.2, 3.15.2, 3.16, 3.17, 3.18.1, 4.2.4, 4.2.5, 4.2.6,
4.2.9, 4.2.14, 4.2.17, 4.2.20, 5.2, 6.2.1, 6.2.2, 7.1.2,
7.2, 7.3.5, 7.3.7, 7.3.10, 8.3.1, 9.2, 9.3.1, 9.4.1, 9.4.2,
9.7, 9.8.2, 9.8.3, 9.8.4, 9.9.1, 9.10.1, 9.10.2, 9.10.3,
10.1, 10.3, 11.3.7, 12.1, 13.5.1, 13.5.2, 13.5.3, 13.5.4

Construction Manager's Relationship with Owner
2.2.2, 4.2.1, 10.3.2

Construction Manager's Relationship with Other
Contractors and Owner's Own Forces
4.2.4

Construction Manager's Relationship with
Subcontractors
4.2.8, 5.3, 9.6.3, 9.6.4

Construction Manager's Site Visits
9.5.1

Construction Schedules, Contractor's
3.10, 3.12.1, 3.12.2, 6.1.2, 15.1.5.2

Contingent Assignment of Subcontracts
5.4, 14.2.2.2

Continuing Contract Performance
15.1.3

Contract, Definition of
1.1.2

**CONTRACT, TERMINATION OR
SUSPENSION OF THE**
5.4.1.1, 11.3.9, 14

Contract Administration
3.1.3, 4.2, 9.4, 9.5

Contract Award and Execution, Conditions Relating
to
3.7.1, 3.10, 5.2, 6.1, 11.1.3, 11.3.6, 11.4.1

Contract Documents, Copies Furnished and Use of
1.5.2, 2.2.5, 5.3

Contract Documents, Definition of
1.1.1

Contract Performance During Arbitration
15.1.3

Contract Sum
3.7.4, 3.7.5, 3.8, 3.10.2, 5.2.3, 7.2, 7.3, 7.4, 9.1, 9.2,
9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.3.1.1, 12.3, 14.2.4,
14.3.2, 15.1.4, 15.2.5

Contract Time
3.7.4, 3.7.5, 4, 3.10.2, 5.2.3, 7.2.3, 7.3.1, 7.3.5, 7.3.10,
7.4, 8.1.1, 8.2.1, 8.2.3, 8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1,
14.3.2, 15.1.5.1, 15.2.5

Contract Time, Definition of
8.1.1

CONTRACTOR
3

Contractor, Definition of
3.1.1

Contractor's Construction Schedules
3.10, 3.12.1, 3.12.2, 6.1.3, 15.1.5.2

Contractor's Employees
3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3,
11.1.1, 11.3.7, 14.1, 14.2.1.1

Contractor's Liability Insurance
11.1

Contractor's Relationship with Other Contractors and
Owner's Own Forces
3.12.5, 3.14.2, 4.2.6, 6, 11.3, 12.1.2, 12.2.4

Contractor's Relationship with Subcontractors
1.2.2, 3.3.2, 3.18, 5, 9.6.2, 9.6.7, 9.10.2, 11.3.1.2,
11.3.7, 11.3.8, 14.2.1.2

Contractor's Relationship with the Architect
1.1.2, 1.5, 3.2.2, 3.2.3, 3.2.4, 3.4.2, 3.5, 3.7.4, 3.10.1,
3.11, 3.12, 3.16, 3.18, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4,
9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3.7, 12, 13.5, 15.1.2,
15.2.1

Contractor's Relationship with the Construction
Manager
1.1.2, 3.2.2, 3.2.3, 3.3.1, 3.5, 3.10.1, 3.10.2, 3.10.3,
3.11, 3.12.5, 3.12.7, 3.12.9, 3.12.10, 3.13.2, 3.14.2,
3.15.1, 3.16, 3.17, 3.18.1, 4.2.4, 4.2.5, 5.2, 6.2.1,
6.2.2, 7.1.2, 7.3.5, 7.3.7, 7.3.10, 8.3.1, 9.2, 9.3.1,
9.4.1, 9.4.2, 9.8.2, 9.9.1, 9.10.1, 9.10.2, 9.10.3, 10.1,
10.2.6, 10.3, 11.3.7, 12.1, 13.5.1, 13.5.2, 13.5.3,
13.5.4

Contractor's Representations
3.2.1, 3.2.2, 3.5, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.8.2

Contractor's Responsibility for Those Performing the
Work
3.3.2, 3.18, 5.3, 6.1.3, 6.2, 9.5.1, 10.2.8

Contractor's Review of Contract Documents
3.2

Contractor's Right to Stop the Work
9.7

Contractor's Right to Terminate the Contract
14.1

Contractor's Submittals
3.10.2, 3.11, 3.12, 4.2.9, 9.2, 9.3, 9.8.2, 9.9.1, 9.10.2,
9.10.3, 11.1.3, 11.4.2

Contractor's Superintendent
3.9, 10.2.6

Contractor's Supervision and Construction
Procedures
1.2.2, 3.3, 3.4, 4.2.5, 4.2.7, 6.1, 6.2.4, 7.1.3, 7.3.5,
7.3.7, 8.2, 10, 12, 14, 15.1.3

Contractual Liability Insurance
11.1.1.8, 11.2, 11.3.1.5

Coordination and Correlation
1.2, 3.2, 3.3.1, 3.10, 3.12.6, 6.1.2, 6.2.1

Copies Furnished of Drawings and Specifications
1.5, 2.2.5, 3.11

Copyrights
1.5, 3.17

Correction of Work
2.3, 2.4, 9.4.1, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, **12.2**

Correlation and Intent of the Contract Documents
1.2

Costs
2.4, 3.2.4, 3.7.3, 3.8.2, 3.15.2, 5.4.2, 6.1.1, 6.2.3, 7.3.3.3, 7.3.6, 7.3.7, 7.3.8, 7.3.9, 11.3.1.2, 11.3.1.3, 11.3.4, 11.3.9, 12.1, 12.2.1, 13.5, 14

Cutting and Patching
3.14, 6.2.5

Damage to Construction of Owner or Other Contractors
3.14.2, 6.2.4, 9.5.1.5, 10.2.1.2, 10.2.5, 10.4, 11.1.1, 11.3, 12.2.4

Damage to the Work
3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.4, 11.3.1, 12.2.4

Damages, Claims for
3.2.4, 3.18, 6.1.1, 8.3.2, 10.3.3, 11.1.1, 11.3.5, 11.3.7, 14.2.4, 15.1.6

Damages for Delay
6.1.1, 8.3.3, 9.5.1.6, 9.7, 10.3.2, 15.1.5

Date of Commencement of the Work, Definition of
8.1.2

Date of Substantial Completion, Definition of
8.1.3

Day, Definition of
8.1.4

Decisions of the Architect
3.7.4, 4.2.7, 4.2.8, 4.2.10, 4.2.11, 4.2.13, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20, 7.3.9, 8.1.3, 8.3.1, 9.2, 9.4, 9.5, 9.8.3, 9.8.4, 9.9.1, 10.1.2, 13.5.2, 14.2.2, 14.2.4, 15.1, 15.2

Decisions of the Construction Manager
7.3.7, 7.3.8, 7.3.9, 15.1, 15.2

Decisions to Withhold Certification
9.4.1, **9.5**, 9.7, 14.1.1.3

Defective or Nonconforming Work, Acceptance, Rejection and Correction of
2.3, 2.4, 3.5, 4.2.8, 6.2.5, 9.5.1, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1, 12.2.2

Definitions
1.1, 2.1.1, 3.1.1, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 4.1.2, 7.2, 7.3.1, 8.1, 9.1, 9.8.1, 15.1.1

Delays and Extensions of Time
3.2, 3.7.4, 5.2.3, 7.2, 7.3.1, 7.4, **8.3**, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.5, 15.2.5

Disputes
7.3.8, 7.3.9, 9.3, 15.1, 15.2

DISPUTES, CLAIMS AND
3.2.4, 6.1.1, 6.3, 7.3.9, 9.3.3, **15**, 15.4

Documents and Samples at the Site
3.11

Drawings, Definition of
1.1.5

Drawings and Specifications, Ownership and Use
1.1.1, **1.5**, 2.2.5, 3.11, 5.3

Duty to Review Contract Documents and Field Conditions
3.2

Effective Date of Insurance
8.2.2, 11.1.2

Emergencies
10.4, 14.1.1.2, 15.1.4

Employees, Contractor's
3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.1, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3.3, 11.1.1, 11.3.7, 14.1, 14.2.1.1

Equipment, Labor, Materials and or
1.1.3, 1.1.6, 3.4, 3.5, 3.8.2, 3.8.3, 3.12.2, 3.12.3, 3.13.1, 3.15.1, 4.2.8, 4.2.7, 5.2.1, 6.2.1, 7.3.7, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.2

Execution and Progress of the Work
1.1.3, 1.2.1, 1.2.2, 2.2.3, 2.2.5, 3.1, 3.3.1, 3.4.1, 3.5, 3.7.1, 3.10.1, 3.12, 3.14, 4.2, 6.2.2, 7.1.3, 7.3.5, 8.2, 9.5.1, 9.9.1, 10.2, 10.3, 12.2, 14.2, 14.3.1, 15.1.3

Extensions of Time
3.2.4, 3.7.4, 5.2.3, 7.2.3, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3, 15.1.5, 15.2.5

Failure of Payment
9.5.1.3, **9.7**, 13.6, 14.1.1.3, 14.1.3, 14.2.1.2, 15.1.4

Faulty Work (See Defective or Nonconforming Work)

Final Completion and Final Payment
4.2.1, 4.2.15, 9.8.2, **9.10**, 11.1.2, 11.1.3, 11.3.1, 11.3.5, 12.3, 15.2.1

Financial Arrangements, Owner's
2.2.1

GENERAL PROVISIONS
1

Governing Law
13.1

Guarantees (See Warranty and Warranties)

Hazardous Materials
10.2.4, **10.3**

Identification of Contract Documents
1.2.1

Identification of Subcontractors and Suppliers
5.2.1

Indemnification
3.18, 9.10.2, 10.3.3, 10.3.5, 10.3.6, 11.3.1.2, 11.3.7

Information and Services Required of the Owner
2.1.2, **2.2**, 4.2.6, 6.1.2, 6.2.5, 9.6.1, 9.6.4, 9.8, 9.9.1, 9.10.3, 10.3.2, 10.3.3, 11.2.1, 11.3.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.3, 15.1.2

Initial Decision
15.2

Initial Decision Maker, Definition of

1.1.8

Initial Decision Maker, Extent of Authority

14.2.2, 14.2.4, 15.1.3, 15.2.2, 15.2.3, 15.2.4, 15.2.5

Injury or Damage to Person or Property

3.18.1, 10.2.1, 10.2.2, **10.2.8**, 10.3, 10.3.3, 10.4,

11.1.1

Inspections

3.1.3, 3.7.1, 4.2.2, 9.8.2, 9.9.2, 9.10.1, 13.5

Instructions to Bidders

1.1.1

Instructions to the Contractor

3.1.4, 3.3.3, 3.7.1, 4.2.4, 5.2.1, 7, 8.2.2, 12.1, 13.5.2

Instruments of Service, Definition of

1.1.7, 1.5, 1.6

Insurance

6.1.1, 7.3.7, 8.2.2, 9.3.2, 9.8.4, 9.9.1, 9.10.2, 10.2.5,

11

Insurance, Boiler and Machinery

11.3.2

Insurance, Contractor's Liability

11.1

Insurance, Effective Date of

8.2.2, 11.1.2

Insurance, Loss of Use

11.3.3

Insurance, Owner's Liability

11.2

Insurance, Property

10.2.5, **11.3**

Insurance, Stored Materials

9.3.2, 11.3.1

INSURANCE AND BONDS

11

Insurance Companies, Consent to Partial Occupancy

9.9.1, 11.3.1.5

Insurance Companies, Settlement with

11.3.10

Intent of the Contract Documents

1.2, 4.2.18, 4.2.19, 7.4

Interest

9.7, **13.6**

Interpretation

1.4, 4.2.8, 4.2.17, 4.2.18

Interpretations, Written

4.2.17, 4.2.18, 4.2.20

Joinder and Consolidation of Claims Required

15.4.4

Judgment on Final Award

15.4.2

Labor and Materials, Equipment

1.1.3, 1.1.6, 3.4, 3.8.2, 3.8.3, 3.12.2, 3.12.3, 3.12.6,

3.12.10, 3.13.1, 3.15.1, 5.2.1, 6.2.1, 7.3.7, 9.3.2, 9.3.3,

9.5.1.3, 9.6, 9.10.2, 10.2.1.2, 11.3.1, 14.2.1, 14.2.2

Labor Disputes

8.3.1

Laws and Regulations

3.2.3, 3.2.4, 3.7, 3.13.1, 10.2.2, 10.2.3, 13.5.1, 14.2.1

Liens

2.1.2, 9.3.3, 9.10.2, 9.10.4, 15.2.8

Limitation on Consolidation or Joinder

15.4.4

Limitations, Statutes of

15.4.1

Limitations of Authority

3.12.4, 4.1.3, 4.2.16

Limitations of Liability

9.6.7, 11.1.1, 12.2

Limitations of Time

3.10.1, 4.2.17, 4.2.20, 8.2.1, 9.3.3, 9.6.1, 9.8.4, 9.10.2,

10.2, 11.1.3, 12.1.1, 12.2.2.2, 12.2.5, 13.7, 14.1.1,

15.2.6.1

Loss of Use Insurance

11.3.3

Material Suppliers

1.5.1, 1.5.2, 3.12, 4.2.6, 4.2.8, 9.3.1, 9.3.1.2, 9.3.3,

9.5.3, 9.6.4, 9.6.5, 9.6.7, 9.10.5, 11.3.1

Materials, Hazardous

10.2.4, **10.3**

Materials, Labor, Equipment and

1.1.3, 1.1.6, 1.5.1, 1.5.2, 3.4, 3.5, 3.8.2, 3.8.3, 3.12.2,

3.12.3, 3.12.6, 3.12.10, 3.13.1, 5.2.1, 6.2.1, 9.3.1,

9.3.2, 9.3.3, 9.5.1, 9.5.3, 9.6.4, 9.6.5, 9.6.7, 9.10.2,

9.10.5, 10.2.1, 10.2.4, 10.3

Means, Methods, Techniques, Sequences and

Procedures of Construction

3.3.1, 3.12.10, 4.2.5, 4.2.11

Mechanic's Lien

2.1.2, 15.2.8

Mediation

8.3.1, 10.3.5, 15.2.1, 15.2.5, 15.2.6, **15.3**, 15.4.1

Minor Changes in the Work

1.1.1, 3.12.8, 4.2.13, 7.1, **7.4**

MISCELLANEOUS PROVISIONS

13

Modifications, Definition of

1.1.1

Modifications to the Contract

1.1.1, 1.1.2, 3.11, 4.1.3, 4.2.14, 5.2.3, 7, 11.3.1

Mutual Responsibility

6.2

Nonconforming Work, Acceptance of

9.4.3, 9.8.3, **12.3**

Nonconforming Work, Rejection and Correction of

2.3, 2.4, 3.2.3, 3.7.3, 9.4.3.3, 9.8.2, 9.8.3, 9.9.1,

11.1.1, 12.2.2.1, 12.2.3, 12.2.4, 12.2.5

Notice

1.5, 2.1.2, 2.2.1, 2.4, 3.2.4, 3.3.1, 3.7.1, 3.7.2, 3.7.5,

3.9.2, 3.12.9, 5.2.1, 6.3, 9.4.1, 9.7, 9.10.1, 9.10.2,

10.2.2, 10.2.6, 10.2.8, 10.3.2, 11.3.6, 12.2.2.1, 13.3,

13.5.1, 13.5.2, 14.1.2, 14.2.2, 14.4.2, 15.1.2, 15.1.4,

15.1.5.1, 15.2, 15.4.1

Init.

Notice of Claims

3.7.2, 10.2.8, **15.1.2**, 15.4.1

Notice of Testing and Inspections

13.5.1, 13.5.2

Notices, Permits, Fees and

3.7, 7.3.7, 10.2.2

Observations, On-Site

3.2.1, 9.5.1, 12.1.1

Occupancy

2.2.2, 9.6.6, 9.9, 11.3.1.5

On-Site Inspections

4.2.2, 9.10.1, 9.4.4, 9.5.1

Orders, Written

4.2.7, 4.2.18, 4.2.20

Other Contracts and Contractors

1.1.4, 3.14.2, 4.2.9, 6, 11.3.7, 12.1.2

OWNER

2

Owner, Definition of

2.1.1

Owner, Information and Services Required of the

2.1.2, **2.2**, 4.2, 6.1.2, 6.1.3, 6.2.5, 9.3.2, 9.6.1, 9.6.4,

9.9.2, 9.10.2, 10.3.3, 11.2.1, 11.3, 13.5.1, 13.5.2,

14.1.1, 14.1.3, 15.1.3

Owner's Authority

1.5, 2.1.1, 2.3, 2.4, 3.4.2, 3.12.10, 3.14.2, 4.1.2, 4.1.3,

4.2.8, 4.2.9, 5.2.1, 5.2.4, 5.4.1, 6.1, 6.3, 7.2, 7.3.1,

8.2.2, 9.3.1, 9.3.2, 9.5.1, 9.6.4, 9.9.1, 9.10.2, 10.3.2,

11.3.3, 11.3.10, 12.2.2.1, 12.3, 13.5.2, 14.2, 14.3.1,

14.4, 15.2.7

Owner's Financial Capability

2.2.1, 13.2.2, 14.1.1

Owner's Liability Insurance

11.2

Owner's Relationship with Subcontractors

1.1.2, 5.2.1, 5.3, 5.4.1, 9.6.4, 9.10.2, 14.2.2

Owner's Right to Carry Out the Work

2.4, 12.2.4, 14.2.2

Owner's Right to Clean Up

6.3

Owner's Right to Perform Construction with Own Forces and to Award Other Contracts

6.1

Owner's Right to Stop the Work

2.3

Owner's Right to Suspend the Work

14.3

Owner's Right to Terminate the Contract

14.2

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

1.1.1, 1.1.5, **1.5**, 1.6, 3.11, 3.12.10, 3.17, 4.2.14,

4.2.18, 4.2.20

Partial Occupancy or Use

9.9, 11.3.1.5

Patching, Cutting and

3.14, 6.2.5

Patents and Copyrights, Royalties

3.17

Payment, Applications for

4.2.1, 4.2.7, 4.2.15, 7.3.9, 9.2, **9.3**, 9.4, 9.5, 9.7, 9.10.1,

9.10.3, 9.10.5, 11.1.3

Payment, Certificates for

4.2.15, 7.3.9, 9.3, **9.4**, 9.5, 9.6.1, 9.6.6, 9.7, 9.10.1,

9.10.3, 14.1.1.3, 15.1.3

Payment, Failure of

9.4.1, 9.5, **9.7**, 14.1.1.3

Payment, Final

4.2.1, 9.8.2, **9.10**, 11.1.2, 11.3.1, 11.3.5, 12.3, 15.2.1

Payment Bond, Performance Bond and

5.4.1, 7.3.7, 9.6.7, 9.10.2, 9.10.3, 11, **11.4**

Payments, Progress

9.3.1, 9.4.2, **9.6**

PAYMENTS AND COMPLETION

9, 14

Payments to Subcontractors

5.4.2, 9.3, 9.5.1.3, 9.5.3, 9.6.2, 9.6.3, 9.6.4, 9.6.7,

9.10.5, 14.2.1.2

PCB

10.3.1

Performance Bond and Payment Bond

5.4.1, 7.3.7, 9.6.7, 9.10.2, 9.10.3, 11, **11.4**

Permits, Fees, Notices and Compliance with Laws

2.2.2, **3.7**, 7.3.7.4, 10.2.2

PERSONS AND PROPERTY, PROTECTION OF

10

Polychlorinated Biphenyl

10.3.1

Product Data, Definition of

3.12.2

Product Data and Samples, Shop Drawings

3.11, **3.12**, 4.2.9, 4.2.10, 4.2.14

Progress and Completion

8.2, 9.3.1, 9.4.2, 9.6, 9.8, 9.10, 14.2.4, 15.1.6

Progress Payments

9.3.1, 9.4.2, **9.6**

Project, Definition of

1.1.4

Project Representatives

4.2.16

Property Insurance

10.2.5, **11.3**

Project Schedule

3.10.1, 3.10.3, 3.10.4, 4.2.2, 4.2.3, 4.2.4

PROTECTION OF PERSONS AND PROPERTY

10

Regulations and Laws

1.5, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 9.6.4, 9.9.1,

10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6,

14.1.1, 14.2.1, 15.2.8, 15.4

Rejection of Work

3.5, 4.2.8, 12.2.1

Releases of and Waivers and of Liens

9.10.2

Init.

Representations
 1.3, 2.2.1, 3.5, 3.12, 6.2.2, 8.2.1, 9.3.3, 9.4.3, 9.5.1,
 9.8.2, 9.10.1
 Representatives
 2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.1, 4.2.2, 4.2.10, 5.1.1,
 5.1.2, 13.2.1
 Requests for Information
 4.2.20
 Resolution of Claims and Disputes
 15
 Responsibility for Those Performing the Work
 3.3.2, 3.7.3, 3.12.8, 3.18, 4.2.2, 4.2.5, 4.2.8, 5.3, 6.1.2,
 6.2, 6.3, 9.5.1, 9.8.2, 10
 Retainage
 9.3.1, 9.6.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3
**Review of Contract Documents and Field
 Conditions by Contractor**
 1.2.2, **3.2**, 3.7.3, 3.12.7
 Review of Contractor's Submittals by Owner,
 Construction Manager and Architect
 3.10.1, 3.10.2, 3.11, 3.12, 4.2, 5.2, 5.2, 9.2, 9.8.2
 Review of Shop Drawings, Product Data and Samples
 by Contractor
 3.12.5
Rights and Remedies
 1.1.2, 2.3, 2.4, 3.7.4, 3.15.2, 4.2.8, 5.3, 5.4, 6.1, 6.3,
 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.2,
 12.2.4, **13.4**, 14, 15.4
Royalties, Patents and Copyrights
3.17
 Rules and Notices for Arbitration
 15.4
Safety of Persons and Property
10.2, 10.3, 10.4
Safety Precautions and Programs
 3.3.1, 3.12, 4.2.5, 5.3, **10.1**, 10.2, 10.3, 10.4
 Samples, Definition of
 3.12.3
Samples, Shop Drawings, Product Data and
3.11, 3.12, 4.2.9, 4.2.10
Samples at the Site, Documents and
3.11
Schedule of Values
9.2, 9.3.1
 Schedules, Construction
 3.10, 3.12.1, 3.12.2, 6.1.2, 15.1.5.2
 Separate Contracts and Contractors
 1.1.4, 3.12.5, 3.14.2, 4.2.6, 4.2.11, 6, 8.3.1, 12.1.2
 Shop Drawings, Definition of
 3.12.1
Shop Drawings, Product Data and Samples
3.11, 3.12, 4.2.9, 4.2.10, 4.2.14
Site, Use of
3.13, 6.1.1, 6.2.1
 Site Inspections
 3.2.2, 3.3.3, 3.7.1, 3.7.4, 4.2.2, 4.2.3, 4.2.15, 9.4.3.3,
 9.8.3, 9.9.2, 9.10.1, 13.5

Site Visits, Architect's
 3.7.4, 4.2.2, 4.2.15, 9.8.3, 9.9.2, 9.10.1, 13.5
 Special Inspections and Testing
 4.2.8, 12.2.1, 13.5
 Specifications, Definition of
 1.1.6
Specifications
 1.1.1, **1.1.6**, 1.2.2, 1.5, 3.11, 3.12.10, 3.17, 4.2.14
 Staffing Plan
 4.2.3
 Statute of Limitations
 12.2.5, 13.7, 15.4.1.1
 Stopping the Work
 2.3, 9.7, 10.3, 14.1
 Stored Materials
 6.2.1, 9.3.2, 10.2.1.2, 10.2.4
 Subcontractor, Definition of
 5.1.1
SUBCONTRACTORS
5
 Subcontractors, Work by
 1.2.2, 3.3.2, 3.12.1, 4.2.5, 5.2.3, 5.3, 5.4, 9.3.1.2, 9.6.7
Subcontractual Relations
5.3, 5.4, 9.3.1.2, 9.6.2, 9.6.3, 9.10, 10.2.1, 14.1, 14.2
 Submittals
 3.2.3, 3.10, 3.11, 3.12, 4.2.9, 4.2.10, 4.2.11, 5.2.1,
 5.2.3, 7.3.7, 9.2, 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3, 11.1.3
 Submittal Schedule
 3.10.2, 3.12.5, 4.2.9, 4.2.10
Subrogation, Waivers of
 6.1.1, **11.3.7**
Substantial Completion
 8.1.1, 8.1.3, 8.2.3, 9.4.3.3, **9.8**, 9.9.1, 9.10.3, 12.2.1,
 12.2.2, 13.7
 Substantial Completion, Definition of
 9.8.1
 Substitution of Subcontractors
 5.2.3, 5.2.4
 Substitution of Architect
 4.1.4
 Substitution of Construction Manager
 4.1.4
 Substitutions of Materials
 3.4.2, 3.5, 7.3.8
 Sub-subcontractor, Definition of
 5.1.2
 Subsurface Conditions
 3.7.4
Successors and Assigns
13.2
Superintendent
3.9, 10.2.6
Supervision and Construction Procedures
 1.2.2, **3.3**, 3.4, 3.12.10, 4.2.2, 4.2.3, 4.2.5, 4.2.8, 4.2.9,
 4.2.10, 4.2.11, 6.1.3, 6.2.4, 7.1.3, 7.3.7, 8.2, 8.3.1,
 9.4.3.3, 10, 12, 14, 15.1.3

Surety
5.4.1.2, 9.8.5, 9.10.2, 9.10.3, 14.2.2, 15.2.7

Surety, Consent of
9.10.2, 9.10.3

Surveys
1.1.7, 2.2.3

Suspension by the Owner for Convenience
14.3

Suspension of the Work
5.4.2, 14.3

Suspension or Termination of the Contract
5.4.1.1, 14

Taxes
3.6, 3.8.2.1, 7.3.7.4

Termination by the Contractor
14.1, 15.1.6

Termination by the Owner for Cause
5.4.1.1, **14.2**, 15.1.6

Termination by the Owner for Convenience
14.4

Termination of the Contractor
14.2.2

TERMINATION OR SUSPENSION OF THE CONTRACT
14

Tests and Inspections
3.1.4, 3.3.3, 4.2.2, 4.2.6, 4.2.8, 9.4.3.3, 9.8.3, 9.9.2, 9.10.1, 10.3.2, 12.2.1, **13.5**

TIME
8

Time, Delays and Extensions of
3.2.4, 3.7.4, 5.2.3, 7.2, 7.3.1, 7.4, **8.3**, 9.5.1, 10.3.2, 14.3.2, 15.1.5, 15.2.5

Time Limits
2.1.2, 2.2, 2.4, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2.1, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4, 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.4.2, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 11.1.3, 11.4, 12.2, 13.5, 13.7, 14, 15

Time Limits on Claims
3.7.4, 10.2.8, **13.7**, 15.1.2

Title to Work
9.3.2, 9.3.3

Transmission of Data in Digital Form
1.6

UNCOVERING AND CORRECTION OF WORK
12

Uncovering of Work
12.1

Unforeseen Conditions, Concealed or Unknown
3.7.4, 8.3.1, 10.3

Unit Prices
7.3.3.2, 7.3.4

Use of Documents
1.1.1, 1.5, 2.2.5, 3.12.6, 5.3

Use of Site
3.13, 6.1.1, 6.2.1

Values, Schedule of
9.2, 9.3.1

Waiver of Claims by the Architect
13.4.2

Waiver of Claims by the Construction Manager
13.4.2

Waiver of Claims by the Contractor
9.10.5, 13.4.2, 15.1.6

Waiver of Claims by the Owner
9.9.3, 9.10.3, 9.10.4, 12.2.2.1, 13.4.2, 14.2.4, 15.1.6

Waiver of Consequential Damages
14.2.4, 15.1.6

Waiver of Liens
9.10.2, 9.10.4

Waivers of Subrogation
6.1.1, **11.3.7**

Warranty
3.5, 4.2.15, 9.3.3, 9.8.4, 9.9.1, 9.10.4, 12.2.2

Weather Delays
15.1.5.2

Work, Definition of
1.1.3

Written Consent
1.5.2, 3.4.2, 3.7.4, 3.12.8, 3.14.2, 4.1.3, 9.3.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 10.3.2, 11.4.1, 13.2, 13.4.2, 15.4.4.2

Written Interpretations
4.2.17, 4.2.18

Written Notice
2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 5.2.1, 5.3, 5.4.1.1, 8.2.2, 9.4, 9.5.1, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 12.2.2, 12.2.4, **13.3**, 13.5.2, 14, 15.4.1

Written Orders
1.1.1, 2.3, 3.9, 7, 8.2.2, 12.1, 12.2, 13.5.2, 14.3.1, 15.1.2

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 requirements).

§ 1.1.2 The Contract. The Contract forms 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 the Construction Manager or the Construction Manager's consultants, (3) between the Owner and the Architect or the Architect's consultants, (4) between the Contractor and the Construction Manager or the Construction Manager's consultants, (5) between the Owner and a Subcontractor or Sub-subcontractor (6) between the Construction Manager and the Architect, or (7) between any persons or entities other than the Owner and Multiple Prime Contractors. The Construction Manager and Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of their 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 other Multiple Prime Contractors and by the Owner's own forces, including persons or entities under separate contracts not administered by the Construction Manager.

§ 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 and certify termination of the Agreement under Section 14.2.2.

§1.1.9 The Product. The Products are the new material, machinery, components, equipment, fixtures and systems forming the Work, but does not include machinery and equipment used for preparation, fabrication, conveying and erection of the Work. Products may also include existing materials or components required for reuse.

§1.1.10 To Furnish or Supply. To Furnish or Supply means to supply and deliver, unload, inspect for damage.

Init.

§1.1.11 To Install. To Install means to unpack, assemble, erect, apply, place, finish, cure, protect, clean, and ready for use.

§1.1.12 To Provide. To Provide means to furnish or supply, plus install.

§1.1.13 The Project Manual. The Project Manual is the volume or volumes usually assembled for the Work which includes the Bid Documents, Contract Documents, and Specifications."

§ 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 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.

§ 1.2.2 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 The Contractor and all Subcontractors shall refer to all of the Drawings, including those showing primarily the Work of the Multiple Prime Contractors and other specialized trades, and to all of the sections of the Specifications, and shall perform all Work reasonably inferable there from as being necessary to produce the indicated results.

§ 1.2.5 It is intended that the Work of the Multiple Prime Contractors will be complete and in proper operation and that all construction components will be complete and in compliance with accepted construction practice, upon completion of the Work. Items deemed missing from the Drawings and/or Specifications, but normally required for proper operation or to complete otherwise incomplete construction, or to meet governing code requirements, shall be included by the Contractor, unless he sought and received contradictory interpretation or clarification from the Architect.

§ 1.2.6 If the Contract Documents are not in concurrence regarding the quantity or quality of products, the Contractor shall request interpretation from the Architect. If the contractor fails to make such a request, it is presumed that both provisions were included in the Contractor's Bid and the Architect shall determine which of the conflicting requirements shall govern. The Contractor shall perform the Work at no additional cost to the Owner in accordance with the Architect's determination. The Architect's interpretations shall be based on the following criteria:

- .1 Specifications shall determine quality.
- .2 Drawings shall determine quantity.
- .3 Large scale details shall govern over smaller scale details.

§ 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 will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, sub-subcontractors, and material or equipment 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 this Project is not to be construed as publication in derogation of the Architect, or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them 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 material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.5.3 The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not reproduce the Contract Documents, in whole or in part, for use as shop drawing backgrounds without the prior written consent of the Architect. If consent is given, the Architect shall determine the extent that the Contract Documents may be used in the preparation of shop drawings.

§ 1.6 Transmission of Data in Digital Form

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

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 Article 4, the Construction Manager and the Architect do not have such authority. For the purposes of these General Conditions the term "Owner" means the Owner or the Owner's authorized representative.

(Paragraph deleted)

§ 2.2 Information and Services Required of the Owner

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor. Notwithstanding the forgoing, the Owner has provided evidence of the funding for the Projects and the scope of work contemplated under this agreement, as an attachment to the Contract. The Contractor is deemed to understand the extent of the work covered by the funding evidence provided by Government, and any other evidence would only arise under an exception to this Article 2.2.1.

§ 2.2.2 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. Unless otherwise provided under the Contract Documents, the Owner, through the Construction Manager, shall secure and pay for the building permit.

(Paragraph deleted)

§ 2.2.4 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.

§ 2.2.5 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. All other copies of the Contract Documents, if required by the Contractor, will be furnished at the Contractor's cost of reproduction,

§ 2.2.6 The Owner shall endeavor to forward all communications to the Contractor through the Construction Manager and shall contemporaneously provide the same communications to the Architect about matters arising out of or relating to the Contract Documents.

§ 2.3 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.

§ 2.4 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 written 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 deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Construction Manager's and Architect's and their respective consultants' additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect, after consultation with the Construction Manager. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

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 plural term "Multiple Prime Contractors" refers to Contractors who perform construction under contracts with the Owner that are administered by the Construction Manager. The term does not include the Owner's own forces, including persons or entities under separate contracts not administered by the Construction Manager.

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

§ 3.1.4 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Construction Manager or Architect in their 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 2.2.3, 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 Construction Manager and Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information submitted to the Construction Manager in such form as the Construction Manager and Architect 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 Construction Manager and Architect any nonconformity discovered by or made known to the Contractor as a request for information submitted to Construction Manager in such form as the Construction Manager and Architect may require. The Contractor, however, is deemed to be experienced with regard to the systems and construction requirements of the Work of his Contract. He is deemed to have anticipated the more expensive way of doing the Work, unless he sought and received a contradictory written interpretation, from the Architect, clarifying any errors, inconsistencies or omissions he may discover in the Contract Documents. Even if items are missing from the Drawings or Specifications, but are normally required for proper execution, function and completion of the Work and the Contractor begins fabrication or execution of the Work without requesting said interpretation from the Architect, no excuse will thereafter be entertained for failure to complete the Work within the cost limits of his Contract. Contractor's requests for information shall be in accordance with the following:

- .1 the Contractor may submit Requests for Information (RFI's) to the Architect to help facilitate the Contractor's performance of the Contract. Prior to submitting each RFI, the Contractor shall first carefully study and compare the Contract Documents, field conditions, other Owner provided information, Contractor prepared Coordination Drawings, and prior Project correspondence and documentation to determine that the information to be requested is not reasonably obtainable from such sources;
- .2 RFI'S must be in an editable format. Attachments to the RFI are to be scanned and provided as part of the RFI. Each RFI is to be sequentially numbered. Each RFI shall identify the specific sources which were reviewed by the effort to determine the information requested, and a statement to the effect that the information being requested could not be determined from such sources;
- .3 the Contractor shall submit each RFI sufficiently in advance of the date by which such information is required in order to allow the Architect sufficient time, in the Architect's professional judgment, to permit adequate review and response and to permit Contractor compliance with the latest construction schedule;
- .4 the Contractor shall maintain a log at the Project site that lists each sequentially numbered RFI. This log shall contain the Drawing reference or Specification section to which the request pertains, the date of the request, to whom the request was made, by whom the request was made, the nature of the request, and the Architect's resolution thereof. This log shall be reviewed at each Project meeting and the status of the requests for information shall be made part of the minutes of such meetings; and
- .5 the Contractor shall reimburse the Owner amounts charged to the Owner by the Architect for responding to Contractor RFI's where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner provided information, Contractor prepared Coordination Drawings, or prior Project correspondence or documentation.

§ 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 make 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 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.

§ 3.2.5 The Contractor shall give the Architect timely notice of any additional Drawings, Specifications, or instructions required to define the Work in greater detail, or to permit the proper progress of the Work.

§ 3.2.6 The Contractor shall not proceed with any Work not clearly and consistently defined in detail in the Contract Documents, but shall request additional drawings or instructions from the Architect as provided in subparagraph 3.2.3. If the Contractor proceeds with such Work without obtaining further Drawings, Specifications or instructions the Contractor shall correct Work incorrectly done at the Contractor's own expense.

§ 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, unless the Contract Documents give other specific instruction concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and 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 written notice to the Owner, the Construction Manager, and the Architect and shall not proceed with that portion of the Work without further written instructions from the Architect, through the Construction Manager. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required 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 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 the Project already performed to determine that such portions are in proper condition to receive subsequent Work. If the Contractor determines that such portions are not in proper condition to receive subsequent Work, the Contractor shall give timely written notice to the Construction Manager and the Architect, and shall not proceed with that portion of the Work without further written instructions from the Architect, through the Construction Manager.

§ 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.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect, in consultation with the Construction Manager, and in accordance with a Change Order or Construction Change Directive. Such substitutions shall comply with the following requirements:

- .1 the materials, products and equipment described in the Contract Documents establish the standard of required quality, function, dimension and appearance expected. Substitution requests will be considered only if these standards are met, or exceeded, and the Architect and Owner subsequently approve the substitutions;
- .2 each request for substitution shall be submitted on forms provided by Architect and shall include:
 - .A the name of the material, product or equipment item for which substitution is requested and a complete description of the proposed substitute including drawings, cuts, performance and test data and any other information necessary for a complete evaluation.
 - .B a statement setting forth any changes in other materials, products, equipment or other Work that incorporation of the substitution would require, shall be included;
- .3 the burden of proof of the merit of the proposed substitution is upon the proposer;
- .4 the Architect's decision of approval or disapproval of a proposed substitution shall be final and will be set forth in writing.
- .5 if any of the following conditions occur due to substitutions, the Contractor making the substitution shall bear the cost of such conditions:
 - .A Redesign required for any of the Work;
 - .B Material or quantity changes for any of the Work;

- .C Delays in any of the Work; or
- .D Request for information generated due to substitutions.

§ 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.

(Paragraphs deleted)

§ 3.5.1 Warranty

The Contractor warrants to the Owner, Construction Manager, 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. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Construction Manager or Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 The Contractor shall be responsible for determining that all materials furnished for the Work meet all requirements of the Contract Documents. The Architect may require the Contractor to produce reasonable evidence that a material meets such requirements, such as certified reports of past tests by qualified testing laboratories, reports of studies by qualified experts, or other evidence which, in the opinion of the Architect, would lead to a reasonable certainty that any material used, or proposed to be used, in the Work meets the requirements of the Contract Documents. All such data shall be furnished at the Contractor's expense. This provision shall not require the Contractor to pay for periodic testing of different batches of the same material, unless such testing is specifically required by the Contract Documents to be performed at the Contractor's expense.

§ 3.5.3 In all cases in which a manufacturer's name, trade name or other proprietary designation is used in connection with materials or articles to be furnished under this Contract, whether or not the phrase "or equal" is used after such name, the Contractor shall furnish the product of the named manufacturer(s) without substitution, unless a written request for a substitute has been submitted by the Contractor and approved in writing by the Architect as provided in subparagraph.

§ 3.5.4 If the Contractor proposes to use a material which, while suitable for the intended use, deviates in any way from the detailed requirements of the Contract Documents, the Contractor shall inform the Architect in writing of the nature of such deviations at the time the material is submitted for approval, and shall request written approval of the deviation from the requirements of the Contract Documents.

§ 3.5.5 In requesting approval of deviations or substitutions, the Contractor shall provide, upon request, evidence leading to a reasonable certainty that the proposed substitution or deviation will provide a quality of result at least equal to that otherwise attainable. If, in the opinion of the Architect, the evidence presented by the Contractor does not provide as sufficient basis for such reasonable certainty, the Architect may reject such substitution or deviation without further investigation.

§ 3.5.6 The Contract Documents are intended to produce a building of consistent character and quality of design. All components of the building including visible items of mechanical and electrical equipment have been selected to have a coordinated design in relation to the overall appearance of the building. The Architect shall judge the design and appearance of proposed substitutes on the basis of their suitability in relation to the overall design of the Project, as well as for their intrinsic merits. The Architect will not approve as equal to materials specified proposed substitutes which, in the Architect's opinion, would be out of character, obtrusive, or otherwise inconsistent with the character or quality of design of the Project. In order to permit coordinated design of color and finishes the Contractor shall, if required by the Architect, furnish the substituted material in any color, finish, texture, or pattern which would have been available from the manufacturer originally specified, at no additional cost to the Owner.

§ 3.5.7 Any additional cost, or any loss or damage arising from the substitution of any material or any method for those originally specified shall be borne by the Contractor, notwithstanding approval or acceptance of such substitution by the Owner or the Architect, unless such substitution was made at the written request or direction of the Owner or the Architect.

§ 3.5.8 The warranty provided in this paragraph 3.5 shall be in addition to and not in limitation of any other warranty required by the Contract Documents or otherwise prescribed by law.

§ 3.5.9 The Contractor shall procure and deliver to the Architect, no later than the date claimed by the Contractor as the date of Substantial Completion, all special warranties required by the Contract Documents. Delivery by the Contractor shall constitute the Contractor's guarantee to the Owner that the warranty will be performed in accordance with its terms and conditions.

§ 3.6 Taxes

(Paragraph deleted)

§ 3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work or portions thereof provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.6.2 The Contractor shall be exempt from all customs duty on imported materials and equipment to be incorporated into the work or expended as a consumable during the construction work. Exemption of customs duty does not include equipment or materials that the Contractor shall retain after performance of the work.

§ 3.6.3 In the event the Contractor purchases materials in Cayman that already have passed through Customs, and duty has been charged, then it will be the Contractor's responsibility and risk and financial liability to satisfy the requirements to achieve an exemption on the materials and/or equipment that qualify for duty free status.

§ 3.7 Permits, Fees, Notices, and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Owner, shall secure and pay for the building permit. The Contractor shall secure and pay for other permits, fees, licenses and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 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.

§ 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** 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, Construction Manager, and the Architect before conditions are disturbed and in no event later than 10 days after first observance of the conditions. The Architect and Construction Manager will promptly investigate such conditions and, if the Architect, in consultation with the Construction Manager, 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 an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect, in consultation with the Construction Manager, 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, Construction Manager, and Contractor in writing, stating the reasons. If the Owner or Contractor disputes the Architect's determination or recommendation, either party may proceed 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, Construction Manager, 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.

(Paragraphs deleted)

§ 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 full time during performance of the Work until the date of substantial completion, and for such time thereafter as may be necessary for the expeditious completion 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 furnish in writing to the Owner and Architect through the Construction Manager, the name and qualifications of a proposed superintendent. The Construction Manager may reply within 7 days to the Contractor in writing stating (1) whether the Owner, the Construction Manager, or the Architect has reasonable objection to the proposed superintendent or (2) that any of them require additional time to review. Failure of the Construction Manager to reply within the 7 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner, Construction Manager 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. The Contractor shall remove the superintendent if requested in writing by the Owner, and shall replace him with a competent person reasonably acceptable to Owner.

§ 3.9.4 The Contractor shall coordinate and supervise the Work performed by Subcontractors to the end that the Work is carried out without conflict between trades and so that no trade, at any time, causes delay to the general progress of the Work. The Contractor and all Subcontractors shall at all times afford each trade, any separate contractor, or the Owner, every reasonable opportunity for the installation of Work and the storage of materials.

§ 3.10 Contractor's Construction Schedules

§ 3.10.1 Within 14 days after being awarded the Contract, the Contractor shall prepare and submit for the Owner's and Architect's information and the Construction Manager's approval a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project schedule to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. The Contractor shall cooperate with the Construction Manager in scheduling and performing the Contractor's Work to avoid conflict with, and as to cause no delay in, the work or activities of other Multiple Prime Contractors or the construction or operations of the Owner's own forces.

§ 3.10.2 Within 14 days after being awarded the Contract, the Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter update it as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Construction Manager's and Architect's approval. The Architect and Construction Manager's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Construction Manager and Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals. Neither the Contractor's preparation of the schedule nor the Construction Manager's or Architect's review or approval shall modify the Contractor's responsibility to make required submittals or to do so in a timely manner to provide the review in accordance with Paragraph 4.2.10.

§ 3.10.3 The Contractor shall participate with other Contractors, the Construction Manager and Owner in reviewing and coordinating all schedules for incorporation into the Project schedule that is prepared by the Construction

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Manager. The Contractor shall make revisions to the construction schedule and submittal schedule as deemed necessary by the Construction Manager to conform to the Project schedule.

§ 3.10.4 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner, Construction Manager and Architect and incorporated into the approved Project schedule.

§ 3.11 Documents and Samples at the Site

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These documents shall be available to the Architect and delivered to the Construction Manager for submittal to the Owner upon completion of the Work as a record of the Work as constructed. Division 01 Section "Project Record Documents" is hereby made a part of this paragraph. The Contractor shall check Project Record Documents each month. Written confirmation that the Project Record Documents are current will be required by the Architect before approval of the Contractor's monthly payment requisition.

§ 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 the way by which 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 and Construction Manager is subject to the limitations of Sections 4.2.9 through 4.2.11. Informational submittals upon which the Construction Manager and Architect are 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 Construction Manager or Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Construction Manager Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the Project submittal schedule approved by the Construction Manager and Architect, or in the absence of an approved Project submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of other Multiple Prime Contractors or the Owner's own forces. The Contractor shall cooperate with the Construction Manager in the coordination of the Contractor's Shop Drawings, Product Data, Samples and similar submittals with related documents submitted by other Multiple Prime Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner, Construction Manager, 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. The accuracy of all such information is the responsibility of the Contractor. In reviewing Shop Drawings, Product Data, Samples, and similar submittals the Architect shall be entitled to rely upon the Contractor's representation that such information is correct and accurate.

§ 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 reviewed and 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 requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Construction Manager and Architect in writing 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 Construction Manager and Architect on previous submittals. In the absence of such written 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. 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 cause such services or certifications to be provided by a properly 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, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, 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. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 Use of Site

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

§ 3.13.2 The Contractor shall coordinate the Contractor's operations with, and secure the approval of, the Construction Manager before using any portion of the site.

§ 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 and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work, fully, partially or previously completed construction of the Owner's own forces or of other Multiple Prime Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner's own forces or by other Multiple Prime Contractors except with written consent of the Construction Manager, Owner and such other Multiple Prime Contractors; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the other Multiple Prime Contractors or the Owner the Contractor's 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 or 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, or Construction Manager with the Owner's approval, 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, Construction Manager and Architect access to the Work in preparation and progress wherever located.

§ 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, Construction Manager and Architect harmless from loss on account thereof, but shall not be responsible for such 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, Architect, or Construction Manager. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect through the Construction Manager.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Construction Manager, Architect, Construction Manager's and 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 or in connection with the performance of the Work, to the extent that any such claim, damage, loss or expense is caused in whole or in part by any negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 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 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.

ARTICLE 4 ARCHITECT AND CONSTRUCTION MANAGER

§ 4.1 General

§ 4.1.1 The Owner shall 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.

§ 4.1.2 The Owner shall retain a construction manager lawfully licensed to practice construction management or an entity lawfully practicing construction management in the jurisdiction where the Project is located. That person or entity is identified as the Construction Manager in the Agreement and is referred to throughout the Contract Documents as if singular in number.

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

§ 4.1.4 If the employment of the Construction Manager or Architect is terminated, the Owner shall employ a successor construction manager or architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Construction Manager or Architect, respectively.

§ 4.2 Administration of the Contract

§ 4.2.1 The Construction Manager and Architect will provide administration of the Contract as described in the Contract Documents and will be the Owner's representatives during construction until the date the Architect issues the final Certificate for Payment. The Construction Manager and 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 in accordance with the Agreement between the Owner and the Architect, 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. 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 report to the Owner and Construction Manager (1) known deviations from the Contract Documents and from the most recent Project schedule prepared by the Construction Manager, and (2) defects and deficiencies observed in the Work.

§ 4.2.3 The Construction Manager shall provide a staffing plan to include one or more representatives who shall be in attendance at the Project site whenever the Work is being performed. The Construction Manager will determine in general if the Work observed is being performed in accordance with the Contract Documents, will keep the Owner reasonably informed of the progress of the Work, and will report to the Owner and Architect (1) known deviations from the Contract Documents and the most recent Project schedule, and (2) defects and deficiencies observed in the Work.

§ 4.2.4 The Construction Manager will schedule and coordinate the activities of the Multiple Prime Contractors in accordance with the latest approved Project schedule.

§ 4.2.5 The Construction Manager, except to the extent required by Section 4.2.4, and Architect will not have control over, or charge of, construction means, methods, techniques, sequences or procedures, in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1, and neither will be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. Neither the Construction Manager nor the Architect will have control over or charge of or be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons or entities performing portions of the Work.

§ 4.2.5.1 The Construction Manager shall be responsible for overall safety on the Project and shall implement a safety program which shall include safety requirements of the Contractor and shall be made part of this Agreement by incorporation. The obligations of the Construction Manager shall not alleviate the Contractor's responsibility for Project onsite safety.

§ 4.2.6 **Communications Facilitating Contract Administration.** Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Construction Manager, and shall contemporaneously provide the same communications to the Architect about matters arising out of or relating to the Contract Documents. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with other Multiple Prime Contractors shall be through the Construction Manager and shall be contemporaneously provided to the Architect if those communications are about matters arising out of or related to the Contract Documents. Communications by and with the Owner's own forces shall be through the Owner.

§ 4.2.7 The Construction Manager will review and recommend to the Architect who will review and certify all Applications for Payment by the Contractor, in accordance with the provisions of Article 9.

§ 4.2.8 The Architect and Construction Manager have authority to reject Work that does not conform to the Contract Documents and will notify each other about the rejection. The Construction Manager shall determine in general whether the Work of the Contractor is being performed in accordance with the requirements of the Contract Documents and notify the Owner, Contractor and Architect of defects and deficiencies in the Work. Whenever the Construction Manager considers it necessary or advisable, the Construction Manager will have authority to require

additional inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, upon written authorization of the Owner, whether or not such Work is fabricated, installed or completed. The foregoing authority of the Construction Manager will be subject to the provisions of Sections 4.2.18 through 4.2.20 inclusive, with respect to interpretations and decisions of the Architect. However, neither the Architect's nor the Construction Manager's authority to act under this Section 4.2.8 nor a decision made by either of them in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect or the Construction Manager to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons performing any of the Work.

§ 4.2.9 The Construction Manager will receive and promptly review for conformance with the submittal requirements of the Contract Documents, all submittals from the Contractor such as Shop Drawings, Product Data and Samples. The Construction Manager will also check and coordinate the information contained within each submittal received from Contractor and other Multiple Prime Contractors, and transmit to the Architect those recommended for approval. By submitting Shop Drawings, Product Data, Samples and similar submittals, the Construction Manager represents to the Owner and Architect that the Construction Manager has reviewed and recommended them for approval. The Construction Manager's actions will be taken in accordance with the Project submittal schedule approved by the Architect or, in the absence of an approved Project submittal schedule, with reasonable promptness while allowing sufficient time to permit adequate review by the Architect.

§ 4.2.10 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 permit adequate review. Upon the Architect's completed review, the Architect shall transmit its submittal review to the Construction Manager.

§ 4.2.11 Review of the Contractor's submittals by the Construction Manager and Architect 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 Construction Manager and 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 Construction Manager and Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Construction Manager, 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.

§ 4.2.12 The Construction Manager will prepare Change Orders and Construction Change Directives.

§ 4.2.13 The Construction Manager and the Architect will take appropriate action on Change Orders or Construction Change Directives in accordance with Article 7 and the Architect will have authority to order minor changes in the Work as provided in Section 7.4. The Architect, in consultation with the Construction Manager, will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.14 Utilizing the documents provided by the Contractor, the Construction Manager will maintain at the site for the Owner one copy of all Contract Documents, approved Shop Drawings, Product Data, Samples and similar required submittals, in good order and marked currently to record all changes and selections made during construction. The Construction Manager will maintain at the site a copy of all Project Documents provided by the owner, related to the previously approved submittals. These will be available to the Architect and the Contractor, and will be delivered to the Owner upon completion of the Project.

§ 4.2.15 The Construction Manager will assist the Architect in conducting inspections to determine the dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion in conjunction with the Architect pursuant to Section 9.8; and receive and forward to the Owner written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10. The Construction

Manager will forward to the Architect a final Application for Payment upon the Contractor's compliance with the requirements of the Contract Documents.

§ 4.2.16 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.

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

§ 4.2.18 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 so rendered in good faith.

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

§ 4.2.20 The Construction Manager will receive and review requests for information from the Contractor, and forward each request for information to the Architect, with the Construction Manager's recommendation. The Architect will review and respond in writing to the Construction Manager to requests for information about the Contract Documents. The Construction Manager's recommendation and the Architect's response to each request 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 other Multiple Prime Contractors or subcontractors of other Multiple Prime Contractors.

§ 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 or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Construction Manager for review by the Owner, Construction Manager and Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Construction Manager may reply within 7 days to the Contractor in writing stating (1) whether the Owner, the Construction Manager or the Architect has reasonable objection to any such proposed person or entity or, (2) that the Construction Manager, Architect or Owner requires additional time for review. Failure of the Construction Manager, Owner, or Architect to reply within the 7-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, Construction Manager or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Owner, Construction Manager or Architect has made reasonable objection.

§ 5.2.3 If the Owner, Construction Manager or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner, Construction Manager 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 previously selected if the Owner, Construction Manager or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontract Relations

By appropriate agreement, written where legally required for validity, 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 responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner, Construction Manager and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner, Construction Manager 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 in writing; 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 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.

(Paragraph deleted)

ARTICLE 6 CONSTRUCTION BY OWNER OR BY OTHER CONTRACTORS

§ 6.1 Owner's Right to Perform Construction with Own Forces and to Award Other Contracts

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, which include persons or entities under separate contracts not administered by the Construction Manager, and to award other contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When the Owner performs construction or operations with the Owner's own forces including persons or entities under separate contracts not administered by the Construction Manager, the Owner shall provide for coordination of such forces with the Work of the Contractor, who shall cooperate with them.

§ 6.1.3 Unless otherwise provided in the Contract Documents, when the Owner or Construction Manager perform construction or operations related to the Project with the Owner's or Construction Manager's own forces, the Owner and the Construction Manager shall be deemed to be subject to the same obligations and to have the same rights that

apply to the Contractor 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's own forces, Construction Manager and other Multiple Prime 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's own forces or other Multiple Prime Contractors, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Construction Manager and Architect any apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's own forces or other Multiple Prime Contractors' completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs, including costs that are payable to a separate contractor or to other Multiple Prime Contractors because of the Contractor's delays, improperly timed activities or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner, separate contractors, or other Multiple Prime Contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and other Multiple Prime Contractors 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, other Multiple Prime 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 Construction Manager, with notice to 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, Construction Manager, Architect and Contractor; a Construction Change Directive requires agreement by the Owner, Construction Manager 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, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 Change Orders

A Change Order is a written instrument prepared by the Construction Manager and signed by the Owner, Construction Manager, Architect and Contractor, 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.

§ 7.2.2 The Architect may request that the Construction Manager issue Change Proposal Requests requiring the

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Contractor to submit a detailed estimate, including a breakdown of costs for a proposed change in the Work. The Contractor shall respond to such Change Proposal Requests within the time period required therein or if not stated, within 14 days.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared by the Construction Manager and signed by the Owner, Construction Manager and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.3.1 Upon request of the Owner or the Architect, the Contractor shall without cost to the Owner submit to the Architect, in such form as the Architect may require, an accurate written estimate of the cost of any proposed extra Work or change. The estimate shall indicate the quantity and unit cost of each item of materials, and the number of hours of work and hourly rate for each class of labor, as well as the description and amounts of all other costs chargeable under the terms of this Article. Unit labor costs for the installation of each item of materials shall be shown if required by the Architect. The Contractor shall promptly revise and resubmit such estimate if the Architect determines that it is not in compliance with the requirements of this Article, or that it contains errors of fact or mathematical errors. If required by the Architect, in order to establish the exact cost of new Work added or of previously required Work omitted, the Contractor shall obtain and furnish to the Architect bona fide proposals from recognized suppliers for furnishing any material included in such Work. Such estimates shall be furnished promptly so as to occasion no delay in the Work, and shall be furnished at the Contractor's expense. The Contractor shall state in the estimate any extension of time required for the completion of the Work if the change or extra work is ordered.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.4.1 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods, as selected by the Owner:

- .1 by unit prices stated in the Contract Documents or otherwise mutually agreed upon;
- .2 by Cost and Percentages estimated by the Contractor as provided in subparagraph 7.3.3 and accepted by the Owner; the Contractor's estimate shall become a fixed price which shall not be changed by any variation in the actual cost of executing the Work covered by the change;
- .3 by actual Cost determined after the Work covered by the change is completed, plus Percentage;
- .4 by submission to arbitration or a court, which shall determine the fair value of the Work covered by the change;
- .5 as used in this paragraph, "Cost" shall mean the estimated or actual net increase or decrease in cost to the Contract, Subcontractor, or Sub-subcontractor for performing the work covered by the change, including actual payments for materials, equipment rentals, expendable items, wages and associated benefits to workmen and to supervisors employed full time at the site, insurance, bonds and other provable direct costs, but not including any administrative, accounting or expediting costs, or other indirect or overhead costs, or any wages or benefits or supervisory personnel not assigned full time to the site, or any amount for profit or fee to the Contract, Subcontractor or Sub-subcontractor

- .6 "Percentage" shall mean an allowance to be added to or subtracted from the cost in lieu of overhead and profit and of any other expense, which is not included in the Cost of the Work covered by the change, as defined above. Percentage for a Sub-subcontractor shall be 15% of any net increase or decrease of Cost of any Work performed by the Sub-subcontractor's own forces plus 7 1/2% of any aggregate net increase in Cost of any Work performed for the Sub-subcontractor by other contractors. Percentage for a Subcontractor shall be such percentage allowances for overhead and profit as are set forth in the Subcontract between such Subcontractor and the Contractor.
- .7 when in the reasonable judgment of the Architect a series of Construction Change Directives or Change Orders effect a single change, Percentage shall be calculated on the cumulative net increase or decrease in cost, if any.

§ 7.3.4.2 If the Owner elects to determine the Cost of the Work as provided in method (a) using unit prices stated in the Contract Documents or subsequently agreed upon, the unit prices shall be subject to subparagraph 7.3.4. Notwithstanding the inclusion of unit prices in the Contract Documents, it shall be the Owner's option to require the Cost of any given change to be determined by one of the other methods stated in 7.3.4.1. If the Owner elects to determine the cost of the change by unit prices and the nature of the work is such that its extent cannot readily be measured after the completion of such work or any subsequent work, the Contractor shall keep daily records, available at all times to the Architect for inspection, of the actual quantities of such work put in place, and delivery receipts or other adequate evidence, acceptable to the Architect, indicating the quantities of materials delivered to the site for use in such unit price work, and distinguishing such from other similar material delivered for use in work included in the base Contract Sum. If so required by the Architect, materials for use in unit price work shall be stored apart from all other materials on the Project.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Construction Manager and Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time. Failure to advise the Construction Manager and Architect in writing within 14 days shall constitute acceptance of the method suggested by the Construction Manager and Architect for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Construction Manager shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Construction Manager may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, work permits, pension, health benefits, holiday pay, vacation pay, sick days, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Construction Manager and Architect. When

both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Construction Manager and Architect will make an interim determination for purposes of monthly application for payment for those costs and the Architect will certify for payment the amount that the Construction Manager and Architect determine to be reasonably justified. The interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Construction Manager and Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Construction Manager shall prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order issued through the Construction Manager and shall be binding on the Owner and Contractor. Should the Contractor feel that a written order for a minor change issued by the Architect results in a change in the Contract Sum or Contract Time, the Contractor shall make a claim in accordance with Article 15. Failure to do so within the time limits stated in Article 7.2.2 will constitute concurrence and the Contractor shall proceed in accordance with Article 7.4.

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 of the Work.

§ 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.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 Each Contractor or Multiple Prime Contractor shall proceed expeditiously with adequate forces to achieve Completion of their scope of work pursuant to their Contract, which may require working overtime without additional compensation.

§ 8.2.4 Within two weeks after award of the Contract, the Contractor shall submit to the Architect a Progress Schedule showing for each class of work included in the Schedule of Values, the percentage completion to be obtained and the total dollar value of work to be completed as of the first of each month until Substantial Completion. All calculations shall be on the basis of work in place, but not including the value of materials delivered but not in place.

§ 8.2.5 The Progress Schedule shall be based on an orderly progression of the Work, allowing adequate time for each operation (including adequate time for submission and review of submittals), and leading to a reasonable certainty of

Substantial Completion by the date established in the Agreement. The Progress Schedule will be reviewed by the Architect for compliance with the requirements of this Article and will be accepted by the Construction Manager or returned to the Contractor for revision and re-submittal. Unless specifically required by law, no payment under this Contract shall be due until the Progress Schedule has been approved by the Architect.

§ 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 an act or neglect of the Owner, Owner's own forces, Construction Manager, Architect, any of the other Multiple Prime Contractors or an employee of any of them, or by changes ordered in the Work, or by labor disputes, fire, unusual adverse weather conditions or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration, or by other causes that the Architect, based on the recommendation of the Construction Manager, determines may justify delay, then the Contract Time shall be extended by Change Order 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 No claim for delay shall be allowed on account of failure of the Architect to furnish Drawings, Specifications or instructions or to return Shop Drawings or Samples until 15 days after receipt by the Architect by registered or certified mail of written demand for such instructions, Drawings, or Samples, and not then unless such claim be reasonable.

§ 8.3.4 No extension of time shall be granted because of seasonal or abnormal variations in temperature, humidity or precipitation, which conditions shall be wholly at the risk of the Contractor, whether occurring within the time originally scheduled for completion or within the period of any extension granted. There shall be no increase in the Contract Sum on account of any additional costs of operations or conditions resulting there from.

§ 8.3.4.1 If unusual adverse weather conditions are the basis of a Claim for additional time, such Claim shall only be granted if the following conditions are met: (1) the weather during any calendar month is unusually adverse with reference to historical data compiled from the National Weather Service over the previous 10 years; (2) the Contractor demonstrates that such abnormal weather had the effect of delaying completion of components of the Work on the critical path indicated on the Project Schedule ; and (3) such Claim is made by written notice.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

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.

§ 9.2 Schedule of Values

The Contractor shall submit to the Construction Manager, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Construction Manager and Architect may require. This schedule, unless objected to by the Construction Manager or Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. In the event there is one Contractor, the Construction Manager shall forward to the Architect the Contractor's schedule of values. If there are Multiple Prime Contractors responsible for performing different portions of the Project, the Construction Manager shall forward the Multiple Prime Contractors' schedules of values.

§ 9.3 Applications for Payment

§ 9.3.1 On or before the 20th day of each month, the Contractor shall submit to the Construction Manager 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. Such application shall be supported by such data substantiating the Contractor's right to payment as the Owner, Construction Manager or Architect may require, such as copies of requisitions from Subcontractors and material 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 Construction Manager, Owner's Representative or 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 material 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 or incorporation into the Work. 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 claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.3.4 Each Application for Payment shall be accompanied at the Owner's option by reasonable evidence that the Contractor has paid its Subcontractors and Vendors, including (1) a certified statement from the Subcontractor and/or Vendor indicating receipt of payment for amounts due, (2) proof of payments made by copies of checks or wire transfer of funds, (3) or other reasonable means that the parties may agree upon.

§ 9.4 Certificates for Payment

§ 9.4.1 Omitted

(Paragraph deleted)

§ 9.4.2 The Construction Manager will, within ten days after the Construction Manager receives the Multiple Prime Contractors' Applications for Payment: (1) Review the Applications and recommend the amount the Construction Manager determines is due each of the Multiple Prime Contractors; (2) Prepare a Summary of Contractors' Applications for Payment by combining information from each Multiple Prime Contractors' application with information from similar applications for progress payments from other Multiple Prime Contractors; (3) Prepare an Application and Certificate for Payment; (4) Recommend the amount the Construction Manager determines is due all Multiple Prime Contractors; and (5) Forward the Summary of Contractors' Applications for Payment and Certificate for Payment to the Architect.

§ 9.4.3 Within seven days after the Architect receives the Application and Certificate for Payment and the Summary of Contractors' Applications for Payment from the Construction Manager, the Architect will either issue to the Owner a Certificate for Payment, with a copy to the Construction Manager, for such amount as the Architect determines is properly due, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1. The Construction Manager will promptly forward the Architect's notice of withholding certification to the Contractors.

§ 9.4.4 The Construction Manager's recommendation of an Application and Certificate for Payment shall be based upon the Construction Manager's evaluation of the Work and the information provided as part of the Application for Payment. The Construction Manager's recommendation will constitute a representation that, to the best of the Construction Manager's knowledge, information and belief, the Work has progressed to the point indicated and the quality of the Work is in accordance with the Contract Documents. The recommendation will also constitute a recommendation to the Architect and Owner that the Contractor be paid the amount recommended.

§ 9.4.5 The Architect's issuance of a Certificate for Payment shall be based upon the Architect's evaluation of the Work, the recommendation of the Construction Manager, and information provided as part of the Application for Payment. The Architect's certification will constitute a representation that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, that the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified.

§ 9.4.6 The representations made pursuant to Sections 9.4.4 and 9.4.5 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 Construction Manager or Architect.

§ 9.4.7 The issuance of a separate Certificate for Payment will not be a representation that the Construction Manager or Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed the Contractor's construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material 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 Construction Manager or Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Construction Manager's or Architect's opinion the representations to the Owner required by Section 9.4.4 and 9.4.5 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Construction Manager will notify the Contractor and Owner as provided in Section 9.4.3. If the Contractor, Construction Manager 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 Construction Manager or Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Construction Manager's or Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from the 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 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 repeated failure to carry out the Work in accordance with the Contract Documents.
- .8 failure by the Contractor to comply with mandatory requirements for maintaining record drawings.

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

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers 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 Construction Manager and both will reflect such payment on the next Certificate for Payment.

§ 9.6 Progress Payments

§ 9.6.1 Provided that the Architect has issued a Certificate for Payment the Owner shall make payment to the Contractor in the manner provided in the Contract Documents, with such payment to be made on or before the last day of the month following the date on which the Application for Payment, provided for in Article 9.3.1 was submitted, and shall so notify the Construction Manager and 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 Construction Manager 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 Owner, Construction Manager and Architect 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 material and equipment 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 to ascertain whether they have been properly paid. Neither the Owner, Construction Manager or Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment 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 and 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, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 Failure of Payment

If the Construction Manager and Architect do not issue a Certificate for Payment through no fault of the Contractor, within seventeen days after the Construction Manager's receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor pursuant to Article 9.6.1 after the date established in the Contract Documents the amount recommended by the Construction Manager and certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner, Construction Manager and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Project or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use and when only minor items can be corrected or complete without any material interference with the Owner's use of the work remaining to be completed or corrected.

§ 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 notify the Construction Manager, and the Contractor and Construction Manager shall jointly 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. Unless otherwise noted in this Agreement, up until Substantial Completion is achieved, the Owner shall retain ten percent (10%) of the amount due the Contractor as completed Work on account of progress payments up to a maximum amount of five percent (5%) of the Contract Sum. When Substantial Completion is achieved as established in the contract Documents, the retainage shall be reduced to two and one half percent (2.5%).

§ 9.8.3 Upon receipt of the list provided for in Article 9.8.2, if the Architect does not agree with the Contractor's and Construction Manager's belief such Work is substantially complete; the Architect will return the list to the Construction Manager with justifications for the Architect's disagreement. Once the list is acceptable to the Architect, the Architect, assisted by the Construction Manager, will make an inspection to determine whether the Work or designated portion thereof is substantially complete. The Architect will make an inspection only if to the best of his knowledge the Work is ready for the Architect's inspection. If the Architect's inspection discloses any item, whether or not included on the list, which is not sufficiently complete in accordance with the requirements of 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 items upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect, assisted by the Construction Manager, to determine Substantial Completion.

§ 9.8.4 When the Architect, assisted by the Construction Manager, determines that the Work or designated portion thereof is substantially complete, the Construction Manager will prepare, and the Construction Manager and Architect shall execute a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall 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 A Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. The Owner shall make payment of retainage applying to such 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 or 12 month warrantee period.

§ 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, provided such occupancy or use is consented to by the Construction Manager and insurer as required under Section 11.3.1.5 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 any Contractor affected by the partial occupancy or use 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 and Construction Manager shall jointly 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 after consultation with the Construction Manager.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Construction Manager, 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

§ 9.10.1 Upon completion of the Work, the Contractor shall forward to the Construction Manager a written notice that the Work is ready for final inspection and acceptance and shall also forward to the Construction Manager a Contractor's Application for Payment. Upon receipt, the Construction Manager will evaluate the completion of Work of the Contractor and then forward the notice and Application, with the Construction Manager's recommendations, to the Architect who will promptly make such inspection. When the Architect, finds the Work acceptable under the Contract Documents, the Construction Manager and Architect will promptly issue a Certificate for Payment stating that to the best of their knowledge, information and belief, and on the basis of their on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and, subject to

payments withheld under Article 9.8.2, the entire balance found to be due the Contractor and noted in the Certificate is due and payable.

§ 9.10.1.1 Following the expiration of the warrantee period in Article 9.8.2 and provided the Contractor has completed and corrected the items in the list referred to in Article 9.8.2, the Owner and Architect's will issue the Final Certificate for Payment. The Final Certificate for Payment will confirm the Contractor has completed the items listed in Section 9.10.2, and is entitled to final payment.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect through the Construction Manager (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with 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 and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial 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 and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of 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 claim. If such claim 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 such claim, including all costs and reasonable attorneys' fees.

§ 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 Construction Manager and Architect so confirm, 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 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 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 through the Construction Manager 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 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; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material 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.

§ 9.11 FINAL PAYMENT

§ 9.11.1 Upon receipt of written notice that all work required during the 12 month warrantee period has been completed and upon receipt of a Final Application for Payment, the Architect will promptly make any required inspections and, when the Architect finds the work acceptable under the Contract Documents, the Architect will promptly issue a Certificate for Final Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architects on-site visits, measurements, and inspections, that the entire balance found to be due the Contractor and noted in the Certificate is due and payable. The Architects Final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.3 as precedent to the Contractor's being entitled to Final Payment have been fulfilled.

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. The Contractor shall submit the Contractor's safety program to the Construction Manager for review and coordination with the safety programs of other Contractors.

The Construction Manager's responsibilities for review and coordination of safety programs shall not extend to direct control over or charge of the acts or omissions of the Contractors, Subcontractors, agents or employees of the Contractors or Subcontractors, or any other persons performing portions of the Work and not directly employed by the Construction Manager.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety and at a minimum, shall comply with all Construction Manager's on-site safety requirements and protocol, 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 or the Contractor's Subcontractors or Sub-subcontractors;
- .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; and
- .4 construction or operations by the Owner or other Contractors.
- .5 any other property of the Owner, whether or not forming part of Work, located at the site or adjacent thereto in areas to which the Contractor has access.
- .6 the work of the Owner or other separate contractors; and
- .7 prior to commencement of the Work, the Contractor shall document existing conditions recording existing damage to construction or property at the site to remain and notify the Owner and Architect of same in writing.

§ 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 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 against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 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, 10.2.1.3 and 10.2.1.4 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, 10.2.1.3 and 10.2.1.4, except damage or loss attributable to acts or omissions of the Owner, Construction Manager or Architect or anyone directly or indirectly employed by any of them, or by anyone for whose acts any 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 Construction Manager.

§ 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.

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§ 10.2.8 The Contractor shall provide and maintain in good operating condition suitable and adequate fire protection equipment and services, and shall comply with all reasonable recommendations regarding fire protection made by the representatives of the fire insurance company carrying insurance on the Work or by the local fire department authorities. The area within the site limits shall be kept orderly and clean, and all combustible rubbish shall be promptly removed from the site.

§ 10.2.9 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, written notice, pursuant to Article 13.3, of such 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. If required by local law, the notice shall also be submitted to the relevant authorities.

§ 10.3 Hazardous Materials

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. 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 in the affected area and report the condition to the Owner, Construction Manager and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify a 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, Construction Manager and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor, the Construction Manager and the Architect will promptly reply to the Owner in writing stating whether or not any of them has reasonable objection to the persons or entities proposed by the Owner. If the Contractor, Construction Manager or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor, the Construction Manager and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resumed upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Construction Manager, Architect, their 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 not 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 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 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.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance 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 indemnify 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 Liability Insurance

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as required by the Contract Documents as will protect the Contractor from claims which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be

(Paragraphs deleted)

liable, including Employer's liability insurance and Public liability insurance.

(Paragraphs deleted)

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be submitted to the Construction Manager for transmittal to the Owner with a copy to the Architect prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire or change until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the Public Liability coverage required by the Contract Documents to include (1) the Construction Manager, the Construction Manager's consultants, the Owner, the Owner's Representative, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 Owner's Liability Insurance

(Paragraph deleted)

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

§ 11.3 Property Insurance

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or

entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, hurricane, hurricane flood, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for the Architect's, Contractor's, and Construction Manager's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit, unless otherwise directed within Contractor's Contract.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§11.3.1.6 Property Insurance provided by Owners should not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the site and the capital value of, which is not included in the Work. The Contractor shall make his own arrangements for any insurance he may require on such construction equipment.

§ 11.3.2 **Boiler and Machinery Insurance.** To the extent required, the Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Construction Manager, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 **Loss of Use Insurance.** The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, adjoining 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, the Owner shall waive all rights in accordance with the terms of

Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 **Waivers of Subrogation.** 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, and (2) the Construction Manager, Architect, Architect's consultants, separate contractors described in Article 6, 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 covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as the Owner and Contractor may have to the proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Construction Manager, Construction Manager's consultants, Architect, Architect's consultants, Owner's separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance 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 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or distribution of insurance proceeds in accordance with the direction of the arbitrators.

§ 11.4 Performance Bond and Payment Bond

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising there under as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 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.

§ 11.5 MISCELLANEOUS REQUIREMENTS

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§11.5.1 The Contractor is responsible for determining that subcontractors are adequately insured against claims arising out of or relating to the Work. The premium cost and charges for such insurance shall be paid by each subcontractor.

§11.5.2 The minimum insurance limits as stated, may be arrived at using a Split-Limit or a Combined Single Limit basis. However, the total limit shall not be less than that stated in the requirements.

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 Construction Manager's or Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by either, be uncovered for their observation 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 which the Construction Manager or Architect has not specifically requested to observe prior to its being covered, the Construction Manager or 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, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or one of the other Contractors in which event the Owner shall be responsible for payment of such costs.

§ 12.2 Correction of Work

§ 12.2.1 Before or After Substantial Completion

The Contractor shall promptly correct Work rejected by the Construction Manager or Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after 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 Construction Manager's and Architect's services and expenses made necessary thereby, and any cost, loss or damages to the Owner resulting from such failure or defect, 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 an 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 written 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 2.4.

§ 12.2.2.2 The one-year period 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.

§ 12.2.3 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, whether completed or partially completed, of the Owner or separate contractors or other Multiple Prime Contractors 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.

§ 12.3 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 as recommended by the Construction Manager and Architect. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

(Paragraph deleted)

§ 13.1.1 The Contract shall be governed by the law of the Cayman Islands.

§ 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 such 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 such assignment.

§ 13.2.3 If the Owner conveys its interest in the Project to a third party, any rights which the Owner may have against the Contractor arising from this Agreement including without limitation Claims under Article 12 or Claims which, under the terms of subparagraph 9.10.4, are reserved to the Owner after the making and acceptance of final payment, shall automatically transfer to such third party.

§ 13.3 Written Notice

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity or to an officer of the corporation for which it was intended; or if delivered at or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

Written notice as between the Owner, Architect and the Construction Manager shall be deemed to have been duly served if transmitted through the "Primavera Contract Manager System" (PCMS) as maintained by the Owner's Representatives.

§ 13.4 Rights and Remedies

§ 13.4.1 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.

§ 13.4.2 No action or failure to act by the Owner, Construction Manager, 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 in writing.

§ 13.5 Tests and Inspections

§ 13.5.1 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 Construction Manager and Architect timely notice of when and where tests and inspections are to be made so that the Construction Manager and Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Construction Manager, Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Construction Manager and 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 Construction Manager and Architect of when and where tests and inspections are to be made so that the Construction Manager and Architect may be present for such procedures. Such costs except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 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 Construction Manager's and Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 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 Construction Manager for transmittal to the Architect. The Contractor shall obtain and deliver promptly to the Architect any certificates of final inspection of any part of the Contractor's work and operating permits which may be required by law to permit full use and occupancy of the premises by the Owner. Receipt of such permits or certificates by the Architect shall be a condition precedent to Substantial Completion of the Work.

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

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

§ 13.6 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may 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.

§ 13.7 Time Limits on Claims

The Owner and the Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law. but

§ 13.8 Limitation of Liability

The Owner shall be liable only to the extent of its interest in the Project; and no officer, director, partner, agent or employee of the Owner (or any partner of a partner or any agent or employee of a partner) shall ever be personally or individually liable with respect to this Contract or the Work. Each Subcontract shall include the foregoing limitation, which shall be effective if the Owner ever succeeds to the Contractor's rights and obligations under a Subcontract.

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 or a Subcontractor, Sub-subcontractor or their agents or employees or any other

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persons or entities performing portions of the Work under direct or indirect contract with the Contractor, 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;
- .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, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, 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.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner, Construction Manager and Architect, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor 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' written notice to the Owner, Construction Manager and 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 for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .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 above reasons exist, the Owner, after consultation with the Construction Manager, and upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .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 Construction Manager's and 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. The amount to be paid to the

Contractor or Owner, as the case may be, shall, upon application, be certified by the Initial Decision Maker after consultation with the Construction Manager, and 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 the Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. 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 this 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 written 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
- .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.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

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, 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.

§ 15.1.2 Notice of Claims. Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Construction Manager and Architect, if the Construction Manager and or Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 Continuing Contract Performance. 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. The Construction Manager will prepare Change Orders and the Architect will issue a Certificate for Payment or Project Certificate for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 Claims for Additional Cost. If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.3.

§ 15.1.5 Claims for Additional Time

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. The Contractor shall have the burden of demonstrating the effect of the claimed delay on the

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Contract Time, including the critical path, and shall furnish the Construction Manager or Architect with such documentation relating thereto as the Construction Manager or Architect may reasonably require. In the case of a continuing delay only one Claim is necessary.

§ 15.1.5.2 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.

§ 15.1.6 Claims for Consequential Damages.

Subject to clause 15.1.6.1 and 15.1.6.2 below, the Contractor and Owner waive consequential damages for claims, disputes, or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided below.

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.

For the avoidance of doubt, the Contractor shall be responsible for any negligent breach of the contract which causes the Owner to suffer direct losses including delay related damages and for direct losses suffered by the Owner if the Contractor causes any delay. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, 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. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 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, 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 a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such 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

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reasons therefor; and (3) notify the parties and the Architect and Construction Manager, if the Architect or Construction Manager is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 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 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 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation pursuant to the Contract Documents.

(Paragraph deleted)

§ 15.4 Arbitration

§ 15.4.1 The parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which shall be administered in accordance with the Contract Documents.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and any rights of appeal shall be subject to amendments and corrections to the award, and procedural issues as set forth in Exhibit A.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 Consolidation or Joinder

§ 15.4.4.1 The Owner, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 The Owner, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

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Additions and Deletions Report for **AIA[®] Document A232[™] – 2009**

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PAGE 1

GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION

(This Standard Form of Agreement has been amended for use in the Cayman Islands – February 2010)

for the following PROJECT:

...

New High Schools Project comprising of:

Site 1: John Gray Campus

Site 2: Clifton Hunter Campus

...

To Be Determined

...

Government of the Cayman Islands acting herein and represented by the Ministry of Education, Training and Employment.

3rd floor Royal Plaza

Cardinal Avenue

George Town, Grand Cayman

...

OWP/P Cannon Design, Inc.

111 West Washington Street, Suite 2100

Chicago, Illinois 60602-2714

TABLE OF ARTICLES

PAGE 3

8.3.1, 11.3.10, ~~13.1~~, 13.1.1, 15.3.2, **15.4**

PAGE 6

2.1.2, **2.2**, 4.2.6, 6.1.2, 6.2.5, 9.6.1, 9.6.4, 9.8, 9.9.1, 9.10.3, 10.3.2, 10.3.3, ~~11.2~~, 11.2.1, 11.3.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.3, 15.1.2

PAGE 8

2.1.2, 2.2, 4.2, 6.1.2, 6.1.3, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.2, 10.3.3, ~~11.2~~, 11.2.1, 11.3, 13.5.1, 13.5.2, 14.1.1, 14.1.3, 15.1.3

PAGE 11

§ 1.1.2 The Contract. ~~The Contract Documents form~~ forms 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 the Construction Manager or the Construction Manager's consultants, (3) between the Owner and the Architect or the Architect's consultants, (4) between the Contractor and the Construction Manager or the Construction Manager's consultants, (5) between the Owner and a Subcontractor or Sub-subcontractor (6) between the Construction Manager and the Architect, or (7) between any persons or entities other than the Owner and ~~Contractor~~. Multiple Prime Contractors. The Construction Manager and Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of their duties.

...

§1.1.9 The Product. The Products are the new material, machinery, components, equipment, fixtures and systems forming the Work, but does not include machinery and equipment used for preparation, fabrication, conveying and erection of the Work. Products may also include existing materials or components required for reuse.

§1.1.10 To Furnish or Supply. To Furnish or Supply means to supply and deliver, unload, inspect for damage.

§1.1.11 To Install. To Install means to unpack, assemble, erect, apply, place, finish, cure, protect, clean, and ready for use.

§1.1.12 To Provide. To Provide means to furnish or supply, plus install.

§1.1.13 The Project Manual. The Project Manual is the volume or volumes usually assembled for the Work which includes the Bid Documents, Contract Documents, and Specifications."

PAGE 12

§ 1.2.4 The Contractor and all Subcontractors shall refer to all of the Drawings, including those showing primarily the Work of the Multiple Prime Contractors and other specialized trades, and to all of the sections of the Specifications, and shall perform all Work reasonably inferable there from as being necessary to produce the indicated results.

§ 1.2.5 It is intended that the Work of the Multiple Prime Contractors will be complete and in proper operation and that all construction components will be complete and in compliance with accepted construction practice, upon completion of the Work. Items deemed missing from the Drawings and/or Specifications, but normally required for proper operation or to complete otherwise incomplete construction, or to meet governing code requirements, shall be included by the Contractor, unless he sought and received contradictory interpretation or clarification from the Architect.

§ 1.2.6 If the Contract Documents are not in concurrence regarding the quantity or quality of products, the Contractor shall request interpretation from the Architect. If the contractor fails to make such a request, it is presumed that both provisions were included in the Contractor's Bid and the Architect shall determine which of the conflicting requirements shall govern. The Contractor shall perform the Work at no additional cost to the Owner in accordance with the Architect's determination. The Architect's interpretations shall be based on the following criteria:

- .1 Specifications shall determine quality.
- .2 Drawings shall determine quantity.
- .3 Large scale details shall govern over smaller scale details.

§ 1.5.3 The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not reproduce the Contract Documents, in whole or in part, for use as shop drawing backgrounds without the prior written consent of the Architect. If consent is given, the Architect shall determine the extent that the Contract Documents may be used in the preparation of shop drawings.

...

§ 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 Article 4, the Construction Manager and the Architect do not have such authority. ~~The~~ For the purposes of these General Conditions 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.~~

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor. Notwithstanding the forgoing, the Owner has provided evidence of the funding for the Projects and the scope of work contemplated under this agreement, as an attachment to the Contract. The Contractor is deemed to understand the extent of the work covered by the funding evidence provided by Government, and any other evidence would only arise under an exception to this Article 2.2.1.

...

~~§ 2.2.3 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.~~

§ 2.2.5 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. All other copies of the Contract Documents, if required by the Contractor, will be furnished at the Contractor's cost of reproduction.

§ 3.1.2 The plural term "Multiple Prime Contractors" refers to ~~persons or entities~~ Contractors who perform construction under contracts with the Owner that are administered by the Construction Manager. The term does not include the Owner's own forces, including persons or entities under separate contracts not administered by the Construction Manager.

§ 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 Construction Manager and Architect any nonconformity discovered by or made known to the Contractor as a request for information submitted to Construction Manager in such form as the Construction Manager and Architect may require. The Contractor, however, is deemed to be experienced with regard to the systems and construction requirements of the Work of his Contract. He is deemed to have anticipated the more expensive way of doing the Work, unless he sought and received a contradictory written interpretation, from the Architect, clarifying any errors, inconsistencies or omissions he may discover in the Contract Documents. Even if items are missing from the Drawings or Specifications, but are normally required for proper execution, function and completion of the Work and the Contractor begins fabrication or execution of the Work without requesting said interpretation from the Architect, no excuse will thereafter be entertained for failure to complete the Work within the cost limits of his Contract. Contractor's requests for information shall be in accordance with the following:

- .1 the Contractor may submit Requests for Information (RFI's) to the Architect to help facilitate the Contractor's performance of the Contract. Prior to submitting each RFI, the Contractor shall first carefully study and compare the Contract Documents, field conditions, other Owner provided information, Contractor prepared Coordination Drawings, and prior Project correspondence and documentation to determine that the information to be requested is not reasonably obtainable from such sources;
- .2 RFI'S must be in an editable format. Attachments to the RFI are to be scanned and provided as part of the RFI. Each RFI is to be sequentially numbered. Each RFI shall identify the specific sources which were reviewed by the effort to determine the information requested, and a statement to the effect that the information being requested could not be determined from such sources;
- .3 the Contractor shall submit each RFI sufficiently in advance of the date by which such information is required in order to allow the Architect sufficient time, in the Architect's professional judgment, to permit adequate review and response and to permit Contractor compliance with the latest construction schedule;
- .4 the Contractor shall maintain a log at the Project site that lists each sequentially numbered RFI. This log shall contain the Drawing reference or Specification section to which the request pertains, the date of the request, to whom the request was made, by whom the request was made, the nature of the request, and the Architect's resolution thereof. This log shall be reviewed at each Project meeting and the status of the requests for information shall be made part of the minutes of such meetings; and
- .5 the Contractor shall reimburse the Owner amounts charged to the Owner by the Architect for responding to Contractor RFI's where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner provided information, Contractor prepared Coordination Drawings, or prior Project correspondence or documentation.

...

§ 3.2.5 The Contractor shall give the Architect timely notice of any additional Drawings, Specifications, or instructions required to define the Work in greater detail, or to permit the proper progress of the Work.

§ 3.2.6 The Contractor shall not proceed with any Work not clearly and consistently defined in detail in the Contract Documents, but shall request additional drawings or instructions from the Architect as provided in subparagraph 3.2.3. If the Contractor proceeds with such Work without obtaining further Drawings, Specifications or instructions the Contractor shall correct Work incorrectly done at the Contractor's own expense.

PAGE 16

§ 3.3.3 The Contractor shall be responsible for inspection of portions of the Project already performed to determine that such portions are in proper condition to receive subsequent Work. If the Contractor determines that such portions are not in proper condition to receive subsequent Work, the Contractor shall give timely written notice to the Construction Manager and the Architect, and shall not proceed with that portion of the Work without further written instructions from the Architect, through the Construction Manager.

...

§ 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, ~~water, heat, utilities,~~ 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.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect, in consultation with the Construction Manager, and in accordance with a Change Order or Construction Change Directive. Such substitutions shall comply with the following requirements:

- .1 the materials, products and equipment described in the Contract Documents establish the standard of required quality, function, dimension and appearance expected. Substitution requests will be considered only if these standards are met, or exceeded, and the Architect and Owner subsequently approve the substitutions;
- .2 each request for substitution shall be submitted on forms provided by Architect and shall include:
 - .A the name of the material, product or equipment item for which substitution is requested and a complete description of the proposed substitute including drawings, cuts, performance and test data and any other information necessary for a complete evaluation.
 - .B a statement setting forth any changes in other materials, products, equipment or other Work that incorporation of the substitution would require, shall be included;
- .3 the burden of proof of the merit of the proposed substitution is upon the proposer;
- .4 the Architect's decision of approval or disapproval of a proposed substitution shall be final and will be set forth in writing.
- .5 if any of the following conditions occur due to substitutions, the Contractor making the substitution shall bear the cost of such conditions:
 - .A Redesign required for any of the Work;
 - .B Material or quantity changes for any of the Work;
 - .C Delays in any of the Work; or
 - .D Request for information generated due to substitutions.

PAGE 17

§ 3.5 Warranty

~~The Contractor warrants to the Owner, Construction Manager, 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 with 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. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Construction Manager or Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.~~

§ 3.5.1 Warranty

The Contractor warrants to the Owner, Construction Manager, 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. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Construction Manager or Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 The Contractor shall be responsible for determining that all materials furnished for the Work meet all requirements of the Contract Documents. The Architect may require the Contractor to produce reasonable evidence

that a material meets such requirements, such as certified reports of past tests by qualified testing laboratories, reports of studies by qualified experts, or other evidence which, in the opinion of the Architect, would lead to a reasonable certainty that any material used, or proposed to be used, in the Work meets the requirements of the Contract Documents. All such data shall be furnished at the Contractor's expense. This provision shall not require the Contractor to pay for periodic testing of different batches of the same material, unless such testing is specifically required by the Contract Documents to be performed at the Contractor's expense.

§ 3.5.3 In all cases in which a manufacturer's name, trade name or other proprietary designation is used in connection with materials or articles to be furnished under this Contract, whether or not the phrase "or equal" is used after such name, the Contractor shall furnish the product of the named manufacturer(s) without substitution, unless a written request for a substitute has been submitted by the Contractor and approved in writing by the Architect as provided in subparagraph.

§ 3.5.4 If the Contractor proposes to use a material which, while suitable for the intended use, deviates in any way from the detailed requirements of the Contract Documents, the Contractor shall inform the Architect in writing of the nature of such deviations at the time the material is submitted for approval, and shall request written approval of the deviation from the requirements of the Contract Documents.

§ 3.5.5 In requesting approval of deviations or substitutions, the Contractor shall provide, upon request, evidence leading to a reasonable certainty that the proposed substitution or deviation will provide a quality of result at least equal to that otherwise attainable. If, in the opinion of the Architect, the evidence presented by the Contractor does not provide as sufficient basis for such reasonable certainty, the Architect may reject such substitution or deviation without further investigation.

§ 3.5.6 The Contract Documents are intended to produce a building of consistent character and quality of design. All components of the building including visible items of mechanical and electrical equipment have been selected to have a coordinated design in relation to the overall appearance of the building. The Architect shall judge the design and appearance of proposed substitutes on the basis of their suitability in relation to the overall design of the Project, as well as for their intrinsic merits. The Architect will not approve as equal to materials specified proposed substitutes which, in the Architect's opinion, would be out of character, obtrusive, or otherwise inconsistent with the character or quality of design of the Project. In order to permit coordinated design of color and finishes the Contractor shall, if required by the Architect, furnish the substituted material in any color, finish, texture, or pattern which would have been available from the manufacturer originally specified, at no additional cost to the Owner.

§ 3.5.7 Any additional cost, or any loss or damage arising from the substitution of any material or any method for those originally specified shall be borne by the Contractor, notwithstanding approval or acceptance of such substitution by the Owner or the Architect, unless such substitution was made at the written request or direction of the Owner or the Architect.

§ 3.5.8 The warranty provided in this paragraph 3.5 shall be in addition to and not in limitation of any other warranty required by the Contract Documents or otherwise prescribed by law.

§ 3.5.9 The Contractor shall procure and deliver to the Architect, no later than the date claimed by the Contractor as the date of Substantial Completion, all special warranties required by the Contract Documents. Delivery by the Contractor shall constitute the Contractor's guarantee to the Owner that the warranty will be performed in accordance with its terms and conditions.

~~The Contractor shall pay sales, consumer, use and similar taxes for the Work or portions thereof provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.~~

§ 3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work or portions thereof provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.6.2 The Contractor shall be exempt from all customs duty on imported materials and equipment to be incorporated into the work or expended as a consumable during the construction work. Exemption of customs duty does not include equipment or materials that the Contractor shall retain after performance of the work.

§ 3.6.3 In the event the Contractor purchases materials in Cayman that already have passed through Customs, and duty has been charged, then it will be the Contractor's responsibility and risk and financial liability to satisfy the requirements to achieve an exemption on the materials and/or equipment that qualify for duty free status.

~~§ 3.7.1 Unless otherwise provided in the Contract Documents, the Owner, through the Construction Manager, shall secure and pay for the building permit. The Contractor shall secure and pay for other permits, fees, licenses and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.~~

PAGE 18

~~§ 3.7.4 Concealed or Unknown Conditions.~~ Conditions 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, Construction Manager, and the Architect before conditions are disturbed and in no event later than ~~21~~ 10 days after first observance of the conditions. The Architect and Construction Manager will promptly investigate such conditions and, if the Architect, in consultation with the Construction Manager, 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 an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect, in consultation with the Construction Manager, 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, Construction Manager, and Contractor in writing, stating the reasons. If the Owner or Contractor disputes the Architect's determination or recommendation, either party may proceed as provided in Article 15.

PAGE 19

~~§ 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.~~

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site full time during performance of the Work until the date of substantial completion, and for such time thereafter as may be necessary for the expeditious completion 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 furnish in writing to the Owner and Architect through the Construction Manager, the name and qualifications of a proposed superintendent. The

Construction Manager may reply within ~~14~~7 days to the Contractor in writing stating (1) whether the Owner, the Construction Manager, or the Architect has reasonable objection to the proposed superintendent or (2) that any of them require additional time to review. Failure of the Construction Manager to reply within the ~~14~~7 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner, Construction Manager 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. The Contractor shall remove the superintendent if requested in writing by the Owner, and shall replace him with a competent person reasonably acceptable to Owner.

§ 3.9.4 The Contractor shall coordinate and supervise the Work performed by Subcontractors to the end that the Work is carried out without conflict between trades and so that no trade, at any time, causes delay to the general progress of the Work. The Contractor and all Subcontractors shall at all times afford each trade, any separate contractor, or the Owner, every reasonable opportunity for the installation of Work and the storage of materials.

§ 3.10.1 ~~The Contractor, promptly~~ Within 14 days after being awarded the Contract, the Contractor shall prepare and submit for the Owner's and Architect's information and the Construction Manager's approval a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project schedule to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. The Contractor shall cooperate with the Construction Manager in scheduling and performing the Contractor's Work to avoid conflict with, and as to cause no delay in, the work or activities of other Multiple Prime Contractors or the construction or operations of the Owner's own forces.

§ 3.10.2 ~~The~~ Within 14 days after being awarded the Contract, the Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter update it as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Construction Manager's and Architect's approval. The Architect and Construction Manager's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Construction Manager and Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals. Neither the Contractor's preparation of the schedule nor the Construction Manager's or Architect's review or approval shall modify the Contractor's responsibility to make required submittals or to do so in a timely manner to provide the review in accordance with Paragraph 4.2.10.

PAGE 20

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These documents shall be available to the Architect and delivered to the Construction Manager for submittal to the Owner upon completion of the Work as a record of the Work as constructed. Division 01 Section "Project Record Documents" is hereby made a part of this paragraph. The Contractor shall check Project Record Documents each month. Written confirmation that the Project Record Documents are current will be required by the Architect before approval of the Contractor's monthly payment requisition.

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§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner, Construction Manager, 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. The accuracy of all such information is the responsibility of the Contractor. In reviewing Shop Drawings, Product Data, Samples, and similar submittals the Architect shall be entitled to rely upon the Contractor's representation that such information is correct and accurate.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the ~~Work or fully or partially~~ Work, fully, partially or previously completed construction of the Owner's own forces or of other Multiple Prime Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner's own forces or by other Multiple Prime Contractors except with written consent of the Construction Manager, Owner and such other Multiple Prime Contractors; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the other Multiple Prime Contractors or the Owner the Contractor's consent to cutting or otherwise altering the Work.

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Construction Manager, Architect, Construction Manager's and 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, provided that or in connection with the performance of the Work, to the extent that any 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) but only to the extent caused by the~~ caused in whole or in part by any negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 4.2.2 The Architect will visit the site ~~at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, in accordance with the Agreement between the Owner and the Architect,~~ 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. 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 report to the Owner and Construction Manager (1) known deviations from the Contract Documents and from the most recent Project schedule prepared by the Construction Manager, and (2) defects and deficiencies observed in the Work.

...

§ 4.2.4 The Construction Manager will schedule and coordinate the activities of the ~~Contractor and other~~ Multiple Prime Contractors in accordance with the latest approved Project schedule.

§ 4.2.5 The Construction Manager, except to the extent required by Section 4.2.4, and Architect will not have control over, or charge of, 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, except as provided in Section 3.3.1, and neither will be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. Neither the Construction Manager nor the Architect will have control over or charge of or be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons or entities performing portions of the Work.

§ 4.2.5.1 The Construction Manager shall be responsible for overall safety on the Project and shall implement a safety program which shall include safety requirements of the Contractor and shall be made part of this Agreement by incorporation. The obligations of the Construction Manager shall not alleviate the Contractor's responsibility for Project onsite safety.

§ 4.2.7 The Construction Manager will review and recommend to the Architect who will review and certify all Applications for Payment by the Contractor, in accordance with the provisions of Article 9.

§ 4.2.9 The Construction Manager will receive and promptly review for conformance with the submittal requirements of the Contract Documents, all submittals from the Contractor such as Shop Drawings, Product Data and Samples. ~~Where there are Multiple Prime Contractors, the~~ The Construction Manager will also check and coordinate the information contained within each submittal received from Contractor and other Multiple Prime Contractors, and transmit to the Architect those recommended for approval. By submitting Shop Drawings, Product Data, Samples and similar submittals, the Construction Manager represents to the Owner and Architect that the Construction Manager has reviewed and recommended them for approval. The Construction Manager's actions will be taken in accordance with the Project submittal schedule approved by the Architect or, in the absence of an approved Project submittal schedule, with reasonable promptness while allowing sufficient time to permit adequate review by the Architect.

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§ 4.2.11 Review of the Contractor's submittals by the Construction Manager and Architect 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 Construction Manager and 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 Construction Manager and Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Construction ~~Manager and Architect, Manager,~~ 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.

...

§ 4.2.13 The Construction Manager and the Architect will take appropriate action on Change Orders or Construction Change Directives in accordance with Article ~~7-7~~ and the Architect will have authority to order minor changes in the Work as provided in Section 7.4. The Architect, in consultation with the Construction Manager, will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.14 Utilizing the documents provided by the Contractor, the Construction Manager will maintain at the site for the Owner one copy of all Contract Documents, approved Shop Drawings, Product Data, Samples and similar required submittals, in good order and marked currently to record all changes and selections made during construction. The Construction Manager will maintain at the site a copy of all Project Documents provided by the owner, related to the previously approved submittals. These will be available to the Architect and the Contractor, and will be delivered to the Owner upon completion of the Project.

§ 4.2.15 The Construction Manager will assist the Architect in conducting inspections to determine the dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion in conjunction with the Architect pursuant to Section 9.8; and receive and forward to the Owner written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10. The Construction Manager will forward to the Architect a final Application ~~and Certificate for Payment or final Project Application and Project Certificate~~ for Payment upon the Contractor's compliance with the requirements of the Contract Documents.

§ 4.2.16 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 duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.~~

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Construction Manager for review by the Owner, Construction Manager and Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Construction Manager

may reply within ~~14~~7 days to the Contractor in writing stating (1) whether the Owner, the Construction Manager or the Architect has reasonable objection to any such proposed person or entity or, (2) that the Construction Manager, Architect or Owner requires additional time for review. Failure of the Construction Manager, Owner, or Architect to reply within the ~~14-day~~7-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, Construction Manager or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the ~~Contractor~~Owner, Construction Manager or Architect has made reasonable objection.

PAGE 26

§ 5.3 ~~Subcontractual Relations~~Subcontract Relations

...

§ 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.~~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.

~~§ 5.4.3 Upon such 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.~~

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§ 6.1.3 Unless otherwise provided in the Contract Documents, when the Owner ~~performs or~~Construction Manager perform construction or operations related to the Project with the Owner's ~~or~~Construction Manager's own forces, the Owner and the ~~Construction Manager~~ shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11 and 12.

PAGE 27

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner's own forces or other Multiple Prime Contractors, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Construction Manager and Architect any apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's own forces or other Multiple Prime Contractors' completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs, including costs that are payable to a separate contractor or to other Multiple Prime Contractors 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 delays, improperly timed activities, damage to the Work or defective construction by the Owner's own forces or other Multiple Prime Contractors.~~

...

§ 7.2.2 The Architect may request that the Construction Manager issue Change Proposal Requests requiring the Contractor to submit a detailed estimate, including a breakdown of costs for a proposed change in the Work. The Contractor shall respond to such Change Proposal Requests within the time period required therein or if not stated.

within 14 days.

PAGE 28

§ 7.3.3.1 Upon request of the Owner or the Architect, the Contractor shall without cost to the Owner submit to the Architect, in such form as the Architect may require, an accurate written estimate of the cost of any proposed extra Work or change. The estimate shall indicate the quantity and unit cost of each item of materials, and the number of hours of work and hourly rate for each class of labor, as well as the description and amounts of all other costs chargeable under the terms of this Article. Unit labor costs for the installation of each item of materials shall be shown if required by the Architect. The Contractor shall promptly revise and resubmit such estimate if the Architect determines that it is not in compliance with the requirements of this Article, or that it contains errors of fact or mathematical errors. If required by the Architect, in order to establish the exact cost of new Work added or of previously required Work omitted, the Contractor shall obtain and furnish to the Architect bona fide proposals from recognized suppliers for furnishing any material included in such Work. Such estimates shall be furnished promptly so as to occasion no delay in the Work, and shall be furnished at the Contractor's expense. The Contractor shall state in the estimate any extension of time required for the completion of the Work if the change or extra work is ordered.

§ 7.3.4.1 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods, as selected by the Owner:

- .1 by unit prices stated in the Contract Documents or otherwise mutually agreed upon;
- .2 by Cost and Percentages estimated by the Contractor as provided in subparagraph 7.3.3 and accepted by the Owner; the Contractor's estimate shall become a fixed price which shall not be changed by any variation in the actual cost of executing the Work covered by the change;
- .3 by actual Cost determined after the Work covered by the change is completed, plus Percentage;
- .4 by submission to arbitration or a court, which shall determine the fair value of the Work covered by the change;
- .5 as used in this paragraph, "Cost" shall mean the estimated or actual net increase or decrease in cost to the Contract, Subcontractor, or Sub-subcontractor for performing the work covered by the change, including actual payments for materials, equipment rentals, expendable items, wages and associated benefits to workmen and to supervisors employed full time at the site, insurance, bonds and other provable direct costs, but not including any administrative, accounting or expediting costs, or other indirect or overhead costs, or any wages or benefits or supervisory personnel not assigned full time to the site, or any amount for profit or fee to the Contract, Subcontractor or Sub-subcontractor
- .6 "Percentage" shall mean an allowance to be added to or subtracted from the cost in lieu of overhead and profit and of any other expense, which is not included in the Cost of the Work covered by the change, as defined above. Percentage for a Sub-subcontractor shall be 15% of any net increase or decrease of Cost of any Work performed by the Sub-subcontractor's own forces plus 7 1/2% of any aggregate net increase in Cost of any Work performed for the Sub-subcontractor by other contractors. Percentage for a Subcontractor shall be such percentage allowances for overhead and profit as are set forth in the Subcontract between such Subcontractor and the Contractor.
- .7 when in the reasonable judgment of the Architect a series of Construction Change Directives or Change Orders effect a single change, Percentage shall be calculated on the cumulative net increase or decrease in cost, if any.

§ 7.3.4.2 If the Owner elects to determine the Cost of the Work as provided in method (a) using unit prices stated in the Contract Documents or subsequently agreed upon, the unit prices shall be subject to subparagraph 7.3.4. Notwithstanding the inclusion of unit prices in the Contract Documents, it shall be the Owner's option to require the Cost of any given change to be determined by one of the other methods stated in 7.3.4.1. If the Owner elects to determine the cost of the change by unit prices and the nature of the work is such that its extent cannot readily be measured after the completion of such work or any subsequent work, the Contractor shall keep daily records, available at all times to the Architect for inspection, of the actual quantities of such work put in place, and delivery receipts or other adequate evidence, acceptable to the Architect, indicating the quantities of materials delivered to the site for use in such unit price work, and distinguishing such from other similar material delivered for use in work included in the base Contract Sum. If so required by the Architect, materials for use in unit price work shall be stored apart from all other materials on the Project.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Construction Manager and Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time. Failure to advise the Construction Manager and Architect in writing within 14 days shall constitute acceptance of the method suggested by the Construction Manager and Architect for determining the proposed adjustment in the Contract Sum or Contract Time.

PAGE 29

- 1 Costs of labor, including social security, work permits, pension, health benefits, holiday pay, vacation pay, sick days, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers compensation insurance;

PAGE 30

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Construction Manager and Architect will make an interim determination for purposes of monthly ~~certification~~ application for payment for those costs and the Architect will certify for payment the amount that the Construction Manager and Architect determine to be reasonably justified. The interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

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The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order issued through the Construction Manager and shall be binding on the Owner and Contractor. Should the Contractor feel that a written order for a minor change issued by the Architect results in a change in the Contract Sum or Contract Time, the Contractor shall make a claim in accordance with Article 15. Failure to do so within the time limits stated in Article 7.2.2 will constitute concurrence and the Contractor shall proceed in accordance with Article 7.4.

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§ 8.2.3 ~~The Each Contractor or Multiple Prime Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time to achieve Completion of their scope of work pursuant to their Contract, which may require working overtime without additional compensation.~~

§ 8.2.4 Within two weeks after award of the Contract, the Contractor shall submit to the Architect a Progress Schedule showing for each class of work included in the Schedule of Values, the percentage completion to be obtained and the total dollar value of work to be completed as of the first of each month until Substantial Completion. All calculations shall be on the basis of work in place, but not including the value of materials delivered but not in place.

§ 8.2.5 The Progress Schedule shall be based on an orderly progression of the Work, allowing adequate time for each operation (including adequate time for submission and review of submittals), and leading to a reasonable certainty of Substantial Completion by the date established in the Agreement. The Progress Schedule will be reviewed by the Architect for compliance with the requirements of this Article and will be accepted by the Construction Manager or returned to the Contractor for revision and re-submittal. Unless specifically required by law, no payment under this Contract shall be due until the Progress Schedule has been approved by the Architect.

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner, Owner's own forces, Construction Manager, Architect, any of the other Multiple Prime Contractors or an employee of any of them, or by changes ordered in the Work, or by labor disputes, fire, unusual ~~delay in deliveries, unavoidable casualties~~ adverse weather conditions or other causes beyond the Contractor's control; or by delay

authorized by the Owner pending mediation and arbitration, or by other causes that the Architect, based on the recommendation of the Construction Manager, determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

PAGE 31

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents. No claim for delay shall be allowed on account of failure of the Architect to furnish Drawings, Specifications or instructions or to return Shop Drawings or Samples until 15 days after receipt by the Architect by registered or certified mail of written demand for such instructions, Drawings, or Samples, and not then unless such claim be reasonable.

§ 8.3.4 No extension of time shall be granted because of seasonal or abnormal variations in temperature, humidity or precipitation, which conditions shall be wholly at the risk of the Contractor, whether occurring within the time originally scheduled for completion or within the period of any extension granted. There shall be no increase in the Contract Sum on account of any additional costs of operations or conditions resulting there from.

§ 8.3.4.1 If unusual adverse weather conditions are the basis of a Claim for additional time, such Claim shall only be granted if the following conditions are met: (1) the weather during any calendar month is unusually adverse with reference to historical data compiled from the National Weather Service over the previous 10 years; (2) the Contractor demonstrates that such abnormal weather had the effect of delaying completion of components of the Work on the critical path indicated on the Project Schedule ; and (3) such Claim is made by written notice.

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Where the Contract is based on a Stipulated Sum or Guaranteed Maximum Price, the Contractor shall submit to the Construction Manager, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Construction Manager and Architect may require. This schedule, unless objected to by the Construction Manager or Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. In the event there is one Contractor, the Construction Manager shall forward to the Architect the Contractor's schedule of values. If there are Multiple Prime Contractors responsible for performing different portions of the Project, the Construction Manager shall forward the Multiple Prime Contractors' schedules of values only if requested by the Architect-values.

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§ 9.3.1 At least fifteen days before the date established for each progress payment, On or before the 20th day of each month, the Contractor shall submit to the Construction Manager 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. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner, Construction Manager or Architect may require, such as copies of requisitions from Subcontractors and material 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 Construction Manager and Manager, Owner's Representative or Architect, but not yet included in Change Orders.

PAGE 32

§ 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-payment or incorporation into the Work. 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, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.3.4 Each Application for Payment shall be accompanied at the Owner's option by reasonable evidence that the Contractor has paid its Subcontractors and Vendors, including (1) a certified statement from the Subcontractor and/or Vendor indicating receipt of payment for amounts due, (2) proof of payments made by copies of checks or wire transfer of funds, (3) or other reasonable means that the parties may agree upon.

~~§ 9.4.1 Where there is only one Contractor, the Construction Manager will, within seven days after the Construction Manager's receipt of the Contractor's Application for Payment, review the Application, certify the amount the Construction Manager determines is due the Contractor, and forward the Contractor's Application and Certificate for Payment to the Architect. Within seven days after the Architect receives the Contractor's Application for Payment from the Construction Manager, the Architect will either issue to the Owner a Certificate for Payment, with a copy to the Construction Manager, for such amount as the Architect determines is properly due, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1. The Construction Manager will promptly forward to the Contractor the Architect's notice of withholding certification.~~Omitted

~~§ 9.4.2 Where there are Multiple Prime Contractors performing portions of the Project, the Construction Manager will, within seven days after the Construction Manager receives the Multiple Prime Contractors' Applications for Payment: (1) review the Applications and certify the amount the Construction Manager determines is due each of the Multiple Prime Contractors; (2) prepare a Summary of Contractors' Applications for Payment by combining information from each Multiple Prime Contractors' application with information from similar applications for progress payments from other Multiple Prime Contractors; (3) prepare a Project Application and Certificate for Payment; (4) certify the amount the Construction Manager determines is due all Multiple Prime Contractors; and (5) forward the Summary of Contractors' Applications for Payment and Project Application and Certificate for Payment to the Architect.~~

§ 9.4.2 The Construction Manager will, within ten days after the Construction Manager receives the Multiple Prime Contractors' Applications for Payment: (1) Review the Applications and recommend the amount the Construction Manager determines is due each of the Multiple Prime Contractors; (2) Prepare a Summary of Contractors' Applications for Payment by combining information from each Multiple Prime Contractors' application with information from similar applications for progress payments from other Multiple Prime Contractors; (3) Prepare an Application and Certificate for Payment; (4) Recommend the amount the Construction Manager determines is due all Multiple Prime Contractors; and (5) Forward the Summary of Contractors' Applications for Payment and Certificate for Payment to the Architect.

~~§ 9.4.3 Within seven days after the Architect receives the Project Application and Project Certificate for Payment and the Summary of Contractors' Applications for Payment from the Construction Manager, the Architect will either issue to the Owner a Project Certificate for Payment, with a copy to the Construction Manager, for such amount as the Architect determines is properly due, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1. The Construction Manager will promptly forward the Architect's notice of withholding certification to the Contractors.~~

~~§ 9.4.4 The Construction Manager's certification of an Application for Payment or, in the case of Multiple Prime Contractors, a Project Application recommendation of an Application and Certificate for Payment shall be based upon the Construction Manager's evaluation of the Work and the information provided as part of the Application for Payment. The Construction Manager's certification recommendation will constitute a representation that, to the best of the Construction Manager's knowledge, information and belief, the Work has progressed to the point indicated and the quality of the Work is in accordance with the Contract Documents. The certification recommendation will also constitute a recommendation to the Architect and Owner that the Contractor be paid the amount certified.~~recommended.

~~§ 9.4.5 The Architect's issuance of a Certificate for Payment or in the case of Multiple Prime Contractors, Project Application and Certificate for Payment, shall be based upon the Architect's evaluation of the Work, the recommendation of the Construction Manager, and information provided as part of the Application for Payment or~~

~~Project~~ Application for Payment. The Architect's certification will constitute a representation that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, that the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified.

PAGE 33

§ 9.4.7 The issuance of a separate Certificate for Payment ~~or a Project Certificate for Payment~~ will not be a representation that the Construction Manager or Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed the Contractor's construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material 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.

...

§ 9.5.1 The Construction Manager or Architect may withhold a Certificate for Payment ~~or Project Certificate for Payment~~ in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Construction Manager's or Architect's opinion the representations to the Owner required by Section 9.4.4 and 9.4.5 cannot be made. If the ~~Construction Manager or Architect~~ is unable to certify payment in the amount of the Application, the Construction Manager will notify the Contractor and Owner as provided in Section ~~9.4.1 and~~ 9.4.3. If the Contractor, Construction Manager and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment ~~or a Project Certificate for Payment~~ for the amount for which the Architect is able to make such representations to the Owner. The Construction Manager or Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a ~~Certificate for Payment or Project Certificate for Payment~~ previously issued, to such extent as may be necessary in the Construction Manager's or Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from the acts and omissions described in Section 3.3.2 because of

...

- .7 repeated failure to carry out the Work in accordance with the Contract Documents.
- .8 failure by the Contractor to comply with mandatory requirements for maintaining record drawings.

...

§ 9.5.3 If the Architect ~~or Construction Manager~~ withholds certification for payment under Section 9.5.1, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers 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 Construction Manager and both will reflect such payment on the next Certificate for Payment.

...

§ 9.6.1 ~~After Provided that the Architect has issued a Certificate for Payment or Project Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, the Owner shall make payment to the Contractor in the manner provided in the Contract Documents, with such payment to be made on or before the last day of the month following the date on which the Application for Payment, provided for in Article 9.3.1 was submitted, and shall so notify the Construction Manager and Architect.~~

PAGE 34

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment 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 to ascertain whether they have been properly paid. Neither the Owner, Construction Manager ~~nor or~~

Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

...

If the Construction Manager and Architect do not issue a Certificate for Payment or a Project Certificate for Payment, through no fault of the Contractor, within ~~fourteen~~ seventeen days after the Construction Manager's receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor ~~within seven days pursuant to Article 9.6.1~~ after the date established in the Contract Documents the amount ~~certified recommended~~ by the Construction Manager and certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner, Construction Manager and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

...

§ 9.8.1 Substantial Completion is the stage in the progress of the ~~Work when the Work Project~~ or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended ~~use~~ use and when only minor items can be corrected or complete without any material interference with the Owner's use of the work remaining to be completed or corrected.

§ 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 notify the Construction Manager, and the Contractor and Construction Manager shall jointly 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. Unless otherwise noted in this Agreement, up until Substantial Completion is achieved, the Owner shall retain ten percent (10%) of the amount due the Contractor as completed Work on account of progress payments up to a maximum amount of five percent (5%) of the Contract Sum. When Substantial Completion is achieved as established in the contract Documents, the retainage shall be reduced to two and one half percent (2.5%).

§ 9.8.3 Upon receipt of the ~~list~~ list provided for in Article 9.8.2, if the Architect does not agree with the Contractor's and Construction Manager's belief such Work is substantially complete; the Architect will return the list to the Construction Manager with justifications for the Architects disagreement. Once the list is acceptable to the Architect, the Architect, assisted by the Construction Manager, will make an inspection to determine whether the Work or designated portion thereof is substantially complete. The Architect will make an inspection only if to the best of his knowledge the Work is ready for the Architect's inspection. If the Architect's inspection discloses any item, whether or not included on the list, which is not sufficiently complete in accordance with the requirements of 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~~ items upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect, assisted by the Construction Manager, to determine Substantial Completion.

PAGE 35

§ 9.8.5 ~~The A~~ Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. ~~Upon such acceptance and consent of surety, if any, the~~ The Owner shall make payment of retainage applying to such 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.~~ Documents or 12 month warrantee period.

...

§ 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,~~ stage, provided such occupancy or use is consented to by the Construction Manager and insurer as required under Section 11.3.1.5 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 any Contractor affected by the partial occupancy or use 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 and Construction Manager shall jointly 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 after consultation with the Construction Manager.

...

§ 9.10 Final Completion and Final Payment~~Final Completion~~

§ 9.10.1 Upon completion of the Work, the Contractor shall forward to the Construction Manager a written notice that the Work is ready for final inspection and acceptance and shall also forward to the Construction Manager a ~~final~~ Contractor's Application for Payment. Upon receipt, the Construction Manager will evaluate the completion of Work of the Contractor and then forward the notice and Application, with the Construction Manager's recommendations, to the Architect who will promptly make such inspection. When the Architect, finds the Work acceptable under the Contract Documents ~~and the Contract fully performed, Documents,~~ the Construction Manager and Architect will promptly issue a ~~final Certificate for Payment or Project Certificate for Payment~~ stating that to the best of their knowledge, information and belief, and on the basis of their on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents ~~and that and, subject to payments withheld under Article 9.8.2,~~ the entire balance found to be due the Contractor and noted in the ~~final~~ Certificate is due and payable. ~~The Construction Manager's and Architect's final Certificate for Payment or Project 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.~~

§ 9.10.1.1 Following the expiration of the warranty period in Article 9.8.2 and provided the Contractor has completed and corrected the items in the list referred to in Article 9.8.2, the Owner and Architect's will issue the Final Certificate for Payment. The Final Certificate for Payment will confirm the Contractor has completed the items listed in Section 9.10.2, and is entitled to final payment.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect through the Construction Manager (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with 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 and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial 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 and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, 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~~. If such ~~lien claim~~ 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 such ~~lien-claim~~, including all costs and reasonable attorneys' fees.

§ 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 Construction Manager and Architect so confirm, the Owner shall, upon application by the Contractor and certification by the ~~Construction Manager and Architect,~~ and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed 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 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 through the Construction Manager 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.

PAGE 36

- ~~.1~~ liens, .1 Claims, security interests or encumbrances arising out of the Contract and unsettled;
- ~~.2~~ .2 failure of the Work to comply with the requirements of the Contract Documents; or
- ~~.3~~ .3 terms of special warranties required by the Contract Documents.

...

§ 9.11 FINAL PAYMENT

§ 9.11.1 Upon receipt of written notice that all work required during the 12 month warrantee period has been completed and upon receipt of a Final Application for Payment, the Architect will promptly make any required inspections and, when the Architect finds the work acceptable under the Contract Documents, the Architect will promptly issue a Certificate for Final Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architects on-site visits, measurements, and inspections, that the entire balance found to be due the Contractor and noted in the Certificate is due and payable. The Architects Final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.3 as precedent to the Contractor's being entitled to Final Payment have been fulfilled.

PAGE 37

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and at a minimum, shall comply with all Construction Manager's on-site safety requirements and protocol, and shall provide reasonable protection to prevent damage, injury or loss to

...

- .4 construction or operations by the Owner or other Contractors.
- .5 any other property of the Owner, whether or not forming part of Work, located at the site or adjacent thereto in areas to which the Contractor has access.
- .6 the work of the Owner or other separate contractors; and
- .7 prior to commencement of the Work, the Contractor shall document existing conditions recording existing damage to construction or property at the site to remain and notify the Owner and Architect of same in writing.

...

§ 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, Construction Manager and Architect. Construction Manager.

PAGE 38

§ 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, written notice of such 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. The Contractor shall provide and maintain in good operating condition suitable and adequate fire protection equipment and services, and shall comply with all reasonable recommendations regarding fire protection made by the representatives of the fire insurance company carrying insurance on the Work or by the local fire department authorities. The area within the site limits shall be kept orderly and clean, and all combustible rubbish shall be promptly removed from the site.

§ 10.2.9 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, written notice, pursuant to Article 13.3, of such 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. If required by local law, the notice shall also be submitted to the relevant authorities.

PAGE 39

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as required by the Contract Documents as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- ~~.1 — Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;~~
- ~~.2 — Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;~~
- ~~.3 — Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;~~
- ~~.4 — Claims for damages insured by usual personal injury liability coverage;~~
- ~~.5 — Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; liable, including Employer's liability insurance and Public liability insurance.~~
- ~~.6 — Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; and~~
- ~~.7 — Claims for bodily injury or property damage arising out of completed operations; and~~
- ~~.8 — Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.~~

...

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be submitted to the Construction Manager for transmittal to the Owner with a copy to the Architect prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire or change until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the ~~commercial liability~~ Public Liability coverage required by the Contract Documents to include (1) the Construction Manager, the Construction Manager's consultants, the Owner, ~~the Owner's Representative,~~ the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

...

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

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

PAGE 40

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, hurricane, hurricane flood, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for the Architect's, Contractor's, and Construction Manager's services and expenses required as a result of such insured loss.

...

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in ~~transit~~transit, unless otherwise directed within Contractor's Contract.

...

§11.3.1.6 Property Insurance provided by Owners should not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the site and the capital value of, which is not included in the Work. The Contractor shall make his own arrangements for any insurance he may require on such construction equipment.

§ 11.3.2 **Boiler and Machinery Insurance.** ~~The~~ To the extent required, the Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Construction Manager, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

PAGE 41

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising ~~thereunder~~there under as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

...

§ 11.5 MISCELLANEOUS REQUIREMENTS

§11.5.1 The Contractor is responsible for determining that subcontractors are adequately insured against claims arising out of or relating to the Work. The premium cost and charges for such insurance shall be paid by each subcontractor.

§11.5.2 The minimum insurance limits as stated, may be arrived at using a Split-Limit or a Combined Single Limit basis. However, the total limit shall not be less than that stated in the requirements.

PAGE 42

The Contractor shall promptly correct Work rejected by the Construction Manager or Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after 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 Construction Manager's and Architect's services and expenses made necessary thereby, and any cost, loss or damages to the Owner resulting from such failure or defect, shall be at the Contractor's expense.

PAGE 43

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~~ equitable as recommended by the Construction Manager and Architect. Such adjustment shall be effected whether or not final payment has been made.

...

~~The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.~~

§ 13.1.1 The Contract shall be governed by the law of the Cayman Islands.

...

§ 13.2.3 If the Owner conveys its interest in the Project to a third party, any rights which the Owner may have against the Contractor arising from this Agreement including without limitation Claims under Article 12 or Claims which, under the terms of subparagraph 9.10.4, are reserved to the Owner after the making and acceptance of final payment, shall automatically transfer to such third party.

...

Written notice as between the Owner, Architect and the Construction Manager shall be deemed to have been duly served if transmitted through the "Primavera Contract Manager System" (PCMS) as maintained by the Owner's Representatives.

PAGE 44

§ 13.5.4 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 Construction Manager for transmittal to the Architect. The Contractor shall obtain and deliver promptly to the Architect any certificates of final inspection of any part of the Contractor's work and operating permits which may be required by law to permit full use and occupancy of the premises by the Owner. Receipt of such permits or certificates by the Architect shall be a condition precedent to Substantial Completion of the Work.

...

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

...

~~The Owner and the Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and the Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.law. but~~

§ 13.8 Limitation of Liability

The Owner shall be liable only to the extent of its interest in the Project; and no officer, director, partner, agent or employee of the Owner (or any partner of a partner or any agent or employee of a partner) shall ever be personally or individually liable with respect to this Contract or the Work. Each Subcontract shall include the foregoing limitation, which shall be effective if the Owner ever succeeds to the Contractor's rights and obligations under a Subcontract.

§ 14.1 ~~Termination by the Contractor~~ Termination By the Contractor

PAGE 45

- .3 Because the ~~Construction Manager has not certified or 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, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or~~

...

§ 14.2 ~~Termination by the Owner for Cause~~ Termination By the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the ~~Contractor~~ Contractor:

PAGE 46

§ 14.3 ~~Suspension by the Owner for Convenience~~ Suspension By the Owner for Convenience

...

§ 14.4 ~~Termination by the Owner for Convenience~~ Termination By the Owner for Convenience

...

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. The Contractor shall have the burden of demonstrating the effect of the claimed delay on the Contract Time, including the critical path, and shall furnish the Construction Manager or Architect with such documentation relating thereto as the Construction Manager or Architect may reasonably require. In the case of a continuing delay only one Claim is necessary.

PAGE 47

§ 15.1.6 Claims for Consequential Damages. ~~The Contractor and Owner waive Claims against each other for consequential damages~~

Subject to clause 15.1.6.1 and 15.1.6.2 below, the Contractor and Owner waive consequential damages for claims, disputes, or other matters in question arising out of or relating to this ~~Contract~~ Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided below.

...

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. For the avoidance of doubt, the Contractor shall be responsible for any negligent breach of the contract which causes the Owner to suffer direct losses including delay related damages and for direct losses suffered by the Owner if the Contractor causes any delay. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

PAGE 48

§ 15.3.2 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, pursuant to the Contract Documents.

~~§ 15.3.3~~ 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.

~~§ 15.4.1~~ If the The parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded, which shall be administered in accordance with the Contract Documents.

...

~~§ 15.4.2~~ The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof, any rights of appeal shall be subject to amendments and corrections to the award, and procedural issues as set forth in Exhibit A.

...

~~§ 15.4.4.1~~ Either party, The Owner, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

~~§ 15.4.4.2~~ Either party, The Owner, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

~~§ 15.4.4.3~~ The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, _____, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 11:41:14 on 10/20/2010 under Order No. 6430453022_1 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A232™ – 2009, General Conditions of the Contract for Construction, Construction Manager as Adviser Edition, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

(Signed)

(Title)

(Dated)