

EXHIBIT C
ROAD & BRIDGE DEPARTMENT
GENERAL CONDITIONS

1. Contractor shall provide and pay for all labor, materials, equipment, tools, utilities, permits, licenses, transportation, and other facilities and services necessary for proper execution and completion of the Work.
2. If Contractor fails to obtain the tax exemption(s) applicable to public works projects from sales, consumer, use and similar taxes, Contractor shall pay the same. Owner will cooperate with Contractor to obtain tax exemption for this Project.
3. Contractor shall be responsible for having taken steps reasonably necessary to ascertain the nature and location of the Work, and the general and local conditions which can affect the Work or the cost thereof. Any failure by Contractor to do so will not relieve him from responsibility for successfully performing the Work without additional expense to the Owner. Owner assumes no responsibility for any understanding or representations concerning conditions made by any of its officers, employees or agents prior to the execution of the Agreement between the Owner and Contractor, unless such understanding or representations are expressly stated in the Agreement.
4. Before commencing activities, Contractor shall: (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to Contractor with the Contract Documents; and (3) promptly report errors, inconsistencies or omissions discovered to Owner.
5. Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for and have control over construction means, methods, techniques, quality, sequences and procedures, and for coordinating all portions of the Work. Contractor shall submit a project schedule within five (5) days of executing this Agreement for approval by Owner (the "Project Schedule"). The Project Schedule shall set forth the timeline and milestones for completion of the Work by Contractor on or before the Contract Time. Contractor shall provide regular monitoring, on at least a monthly basis, of the Project Schedule as construction progresses. Further, Contractor shall maintain and deliver to Owner a daily job report of Work performed, notable events and incidents, weather conditions, subcontractor's performance, any deficiencies (and corrective actions taken), delays, and other information that Owner may reasonably request.
6. Contractor, as soon as practicable, shall furnish in writing to the Owner the names of subcontractors and suppliers for each portion of the Work. If requested by Owner, Contractor shall supply any other information concerning the subcontractors background and experience as reasonably requested by Owner.
7. No charge shall be made by Contractor for hindrances or delays from any cause whatever during the progress of any portion of the Work, unless such hindrance or delay is caused in whole or in part by acts or omissions within the control of Owner. In any event, Owner may grant an extension of the Contract Time for the completion of the Work, provided it is satisfied that delays

or hindrances were due to causes outside Contractor's control, e.g., weather, or to acts of omission or commission by the Owner, provided that such extensions of time shall in no instance exceed the time actually lost to Contractor by reason of such causes, and provided further that Contractor shall have given Owner immediate (as determined by the circumstances, but not exceeding 48 hours) notice in writing of the cause of the detention or delay. In the event of any disagreement between Owner and Contractor as to the amount of the adjustment to be made to the Contract Time, the amount of the adjustment not in dispute shall be processed as a Change Order and the amount in dispute shall be processed as a Claim under the provisions of Section 7 of the Agreement and Section 19 below. The burden of proof that an event of delay has occurred which should extend the Contract Time as provided for herein shall be borne by the party claiming such to be the case; provided, however, under no circumstances shall there be an adjustment to the Base Bid Price or the individual Unit Prices.

8. Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions. Further, Contractor shall perform the Work in strict conformance with the Contract Documents. Contractor shall not be relieved of any obligations set forth in the Contract Documents either by activities or duties of Owner, any consultant, or by tests, inspections or approvals required or performed by persons other than Contractor. Contractor shall arrange for tests, inspections and approvals as required by the Contract Documents. If the Contract Documents require any portion of the Work to be inspected tested or approved, Contractor shall give Owner at least twenty-four (24) hours' notice of its readiness so Owner may observe such inspecting, testing or approval. If Owner determines that any Work requires special inspection, testing or approval not already required by the Contract Documents, Owner may instruct Contractor to order such special inspection, testing or approval.

8.1 Contractor shall supervise, coordinate and direct the Work, continuously monitor the performance of the Work, and inspect the quality and workmanship of the Work for any defects and (or) deficiencies in the Work. Contractor shall enforce strict discipline and good order among its employees and subcontractors and shall require subcontractors to do the same. Contractor shall replace on-site supervision personnel as-needed upon performance and based upon Owner's assessment that the Project is not adequately staffed or the Work is not adequately progressing.

8.2 Contractor agrees that only competent and skilled workmen who satisfactorily perform their duties shall be employed on the Project and Contractor shall ensure that there are an adequate and competent supply of skilled workmen and materials as necessary to carry out the Work on a continuous basis.

9. Contractor shall comply with and give notices required by all federal, state and local laws, statutes, ordinances, building codes, rules and regulations applicable to the Work. If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, rules or regulations without notice to Owner, Contractor shall assume full responsibility for such Work and shall bear the attributable costs. Contractor shall promptly notify Owner in writing of any conflicts between the specifications for the Work and such governmental laws, rules and regulations.

10. The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Agreement. Contractor shall erect and maintain, as required by existing conditions and performance of the Contract Documents, 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. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

11. Contractor shall keep the premises/work site and surrounding area free from accumulation of debris and trash related to the Work.

12. Contractor shall furnish performance and payment bonds, each in an amount at least equal to the Base Bid Price as security for the faithful performance and payment of all Contractor's obligations under the Contract Documents. In the event of any change order resulting in the performance of additional work in connection with the Project, the amounts of such bonds shall be increased by an amount equal to the cost of such additional work or materials or fixtures to be incorporated in the Project. These bonds shall remain in effect at least until one year after the date of final payment, except as otherwise provided by law. Contractor shall also furnish other bonds as are required by the supplementary conditions. All bonds shall be in forms satisfactory to Owner, and be executed by such sureties as (a) are licensed to conduct business in the state where the Project is located, and (b) are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff Bureau of Accounts, U.S. Treasury Department. All bonds signed by an agent must be accompanied by a certified copy of the authority to act.

If the surety on any bond furnished by Contractor is declared bankrupt, or becomes insolvent, or its right to do business is terminated in any state where any part of the Project is located, or it ceases to meet the requirements of clauses (a) and (b) of the preceding paragraph, Contractor shall within five days thereafter substitute another bond and surety, both of which shall be acceptable to Owner.

13. Contractor shall be solely responsible for the protection of the Work until its final acceptance by Owner. Contractor shall have no claim against Owner because of any damage or loss to the Work, and shall be responsible for the complete restoration of damaged Work to its original condition. In the event Contractor's Work is damaged by another party, not under his supervision or control, Contractor shall make his claim directly with the party involved. If a conflict or disagreement develops between Contractor and another party concerning the responsibility for damage or loss to Contractor's Work, such conflict shall not be cause for delay in Contractor's restoration of the damaged Work.

14. Contractor's Insurance:

The Contractor shall purchase and maintain such insurance as will protect him from claims set forth below which may arise out of or result from the Contractor's operations under the Agreement,

whether such operations be by himself, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. All such insurance shall remain in effect until final payment, and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work. In addition, Contractor shall maintain such completed operations insurance for at least one year after final payment, and furnish Owner with evidence of continuation of such insurance at final payment.

Contractor shall maintain insurance coverage for and as follows:

Claims under Workmen's Compensation, disability benefits, and other similar employee benefit acts, with coverage and in amounts as required by the laws of the State of Colorado;

Claims for damage because of bodily injury, occupational sickness or disease, or death of his employees, and claims insured by usual personal injury liability coverage;

Claims for damage because of bodily injury, sickness, disease, or death of any person other than his employees; and

Claims for damages because of injury to or destruction of tangible property, including loss of use resulting there from;

Contractor's Commercial General Liability Insurance issued to and covering the liability for damage imposed by law upon the Contractor and each subcontractor with respect to all Work performed by them under the Agreement and covering premises operations, fire damage, independent contractors, products and completed operations, personal injury and advertising liability:

Contractor's Protective Liability Insurance issued to and covering the liability for damages imposed by law upon the Contractor and each subcontractor with respect to all Work under the Agreement performed for the Contractor by subcontractors.

Completed Operations Liability Insurance issued to and covering the liability for damage imposed by law upon the Contractor and each subcontractor arising between the date of final cessation of the Work, and the date of final acceptance thereof out of that part of the Work performed by each.

Comprehensive Automobile Insurance covering any vehicle (including owned, hired and non-owned vehicle) shall be carried in the amount of \$1,000,000/\$2,000,000 for bodily injury and \$1,000,000 for property damage, each occurrence. All liability and property damage insurance required hereunder shall be Comprehensive General and Automobile Bodily Injury and Property Damage forms of policies, as the case may be.

Insurance covering claims for damages to persons or property required above shall be in the following minimum amounts:

Bodily Injury Liability

Each Person:	\$2,000,000
Each Accident or Occurrence:	\$2,000,000

Property Damage Liability

Each Accident or Occurrence:	\$2,000,000
Aggregate:	\$2,000,000

If any aggregate limit is reduced below \$2,000,000 because of claims made or paid, Contractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to Owner a certificate or other document satisfactory to Owner showing compliance with this provision.

Certificates of Insurance: Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. These Certificates shall contain provisions naming the Owner its associated or affiliated entities, its successors and assigns, elected officials, employees, agents and volunteers as additional insureds under Contractor's insurance, and that coverage afforded under the policies will not be canceled until at least thirty (30) days prior written notice has been given the Owner. Contractor and his subcontractors shall not permit any of his subcontractors to start Work until all required insurance have been obtained and certificates with the proper endorsements have been filed with the Owner. Failure of the Contractor to comply with the foregoing insurance requirements shall in no way waive the Owner's rights hereunder.

All insurance policies in any way related to this Agreement and secured and maintained by Contractor as required herein, shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against County, its agencies, institutions, organizations, officers, agents, employees and volunteers.

15. Owner, at its option, may purchase and maintain such liability insurance as will protect him against claims which may arise from operations under this Agreement. Purchasing and maintaining such insurance, however, will not relieve the Contractor from purchasing and maintaining the insurance hereinbefore specified.

16. Before permitting any of his subcontractors to perform any Work under the Agreement and Contract Documents, Contractor shall either (a) require each of his subcontractors to procure and maintain during the life of his subcontracts, Subcontractor's Public Liability and Property Damage Insurance of the types and in the amounts as may be applicable to his Work, which type and amounts shall be subject to the approval of the Owner, or (b) insure the activities of his subcontractors in his own policy. Coverage required of Contractor and any of its subcontractors shall be primary over any insurance or self-insurance program carried by Owner.

17. Indemnification. The Contractor shall, to the fullest extent permitted by law, indemnify and hold harmless Owner and any of its officials, boards, officers, agents and employees against any losses, claims, damages or liabilities for which Owner or its officials, boards, officers, agents, or employees may become subject to, insofar as any such losses, claims, damages or liabilities arise out of, directly or indirectly, this Agreement, the Work, or are based upon any performance or nonperformance by Contractor or any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable; and Contractor shall reimburse Owner for any and all legal and other expenses including attorney fees incurred by Owner in

connection with investigating or defending any such loss, claim, damage, liability or action. This indemnification shall not apply to claims by third parties against Owner to the extent that Owner is liable to such third party for such claim without regard to the involvement of the Contractor. To the extent applicable, nothing shall be interpreted as a waiver of Owner's rights under the Governmental Immunity Act or other protections available to it under the law. This paragraph and the requirement to indemnify Owner and any of its officials, boards, officers, agents or employees shall survive termination or expiration of this Agreement.

18. Changes in the Work may be accomplished after execution of the Agreement, and without invalidating the Contract Documents, only by Change Order, subject to the limitations stated in the Contract Documents. A Change Order will be used to document any extension of the Contract Time approved in accordance with the Contract Documents or a change in the quantities (additive or deductive) set forth in **Exhibit A** to the Agreement (Contractor's Bid Form) (without any change in the Unit Prices). A Change Order shall be a written order to the Contractor signed by Owner to change the Work.

19. Claims.

19.1 A "Claim" is a demand or assertion by one of the parties seeking, as a matter of right, an adjustment or interpretation of the Contract Document terms, payment of money, extension of time or other relief with respect to the terms of the Contract Documents.

19.2 Pending final resolution of a Claim, Contractor shall proceed diligently with performance of the Contract Documents and Owner shall continue to make undisputed payments in accordance with the Contract Documents.

19.3 If Contractor contends that any order from Owner or other event or occurrence shall cause Change(s) in the Work entitling Contractor to adjustment to the Base Bid Price (as the same relates to quantity, but not including Unit Prices) or Contract Time, Contractor shall provide a written notice of claim ("Notice of Claim") to Owner as provided herein. Such Notice of Claim must clearly identify the order or event which is relied upon and contain a clear statement of why it constitutes a basis for adjustment. Said Notice of Claim shall also include a designation of the provision or provisions in the Contract Documents on which the Claim is based and the amount of time and compensation claimed. All costs, expenses, damages and extensions of time claimed as a result of this alleged change shall be described in reasonable detail under the circumstances together with complete supporting documentation.

19.4 All Claims for increases in the Base Bid Price shall be made in writing to Owner as soon as reasonably practicable but in all events within seven (7) days of Contractor's knowledge of the circumstances giving rise to such Claim. In making a Claim for an increase in the Base Bid Price, Contractor shall provide Owner with written documentation concerning the Claim, including but not limited to the specific reasons for the Claim and the amount of the Claim. Any such Claim for increase in the Base Bid Price may result in an adjustment in the quantities set forth in **Exhibit A** to the Agreement, but under no circumstances shall there be an adjustment to the individual Unit Prices.

In the event that Contractor fails to timely submit a Claim for an increase in the Base Bid Price or Contract Time, or if additional Work is performed prior to the approval of such a Claim, no equitable adjustment shall be made to the Base Bid Price or Contract Time as a result of such Work. Notwithstanding the foregoing, prior notice is not required for Claims relating to an emergency endangering life or property, in which case Contractor shall act, at Contractor's discretion, to prevent the threatened damage, injury or loss.

19.5 Except as expressly provided in the Contract Documents, Contractor shall not be entitled to any extension of the Contract Time. If Owner finds that Contractor is entitled to any extension of the Contract Time, Owner's determination as to the total number of days extension shall be based upon the currently approved Project Schedule and on all data relevant to such extension. Such data shall be included in an amendment to the Project Schedule based upon a Change Order executed in accordance with the Contract Documents. Actual delays in activities which, according to the Project Schedule, do not affect the critical path shall not be the basis for a Change Order with respect thereto.

19.6 All Claims for extensions of the Contract Time shall be made in writing to Owner as soon as reasonably practicable but in all events within five (5) days of Contractor's knowledge of the first instance of delay, and the circumstances and activities leading to such claim shall be indicated or referenced on Contractor's daily report for the day(s) affected. However, it is specifically acknowledged that no change in the Project Schedule shall be effective unless and until a Change Order is properly executed in accordance with the Contract Documents. In making a Claim for an extension of time as a result of a delay, Contractor shall provide Owner with the following specific information: nature of the delay; date (or anticipated date) of commencement of delay; activities on the Project Schedule affected by the delay, and(or) new activities delay, and their relationship with existing activities; identification of person(s) or organization(s) or event(s) responsible for the delay; anticipated extent of delay; and recommended action to avoid or minimize the delay.

19.7 All claims, disputes, controversies and other matters in question between Owner and Contractor shall, in the first instance, be subject to good faith negotiations between the parties. Either party may notify the other of a claim or dispute. Within fifteen (15) days after the delivery of such notification, or such longer period as the parties may mutually agree, the parties shall meet in a good faith to resolve any claims or disputes. In the event the parties cannot reach an agreement then any and all remaining claims, disputes or controversies related to the Contract Documents, or breach thereof, shall be litigated in the District Court for Eagle County, Colorado, which shall be the sole and exclusive forum for such litigation. The parties further acknowledge and agree that Owner shall have the right, but not the obligation, to join any consultant and (or) subcontractor in any such meeting and (or) litigation.

20. Progress Payments:

If the Project is subject to progress payments, not more often than once a month, Contractor shall submit to Owner an application for payment filled out and signed by Contractor covering the Work completed as of the date of the application, and accompanied by such supporting documentation as Owner may reasonably require based on the Base Bid Price/Unit Prices. If payment is requested on the basis of materials and equipment not incorporated in the Work, but delivered and suitably

stored at the site or at another location agreed to in writing, the application for payment shall also be accompanied by such data, satisfactory to Owner, as will establish Owner's title to the material and equipment, and protect Owner's interest therein, including applicable insurance. Each subsequent application for payment shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied to discharge in full all of Contractor's obligations reflected in prior applications for payment. The amount of retainage with respect to progress payments will be as set forth in the Agreement.

Owner will, within ten (10) days after receipt of each application for payment, either indicate in writing a recommendation of payment, or return the application to Contractor indicating in writing its reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the application. Owner shall, within twenty (20) days of recommendation of payment, pay Contractor the amount recommended.

21. Final Payment:

Upon written notice from Contractor that the Work is complete, Owner will make a final inspection with Contractor, and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to remedy such deficiencies. Defects are those identified by an Eagle County Official(s) and shall be judged on quality by that Official(s).

After Contractor has completed all such corrections to the satisfaction of Owner, and delivered all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, marked-up record documents or as-built drawings covering all of the Work, Contractor may make application for final payment following the procedure for progress payments. The final application for payment shall be accompanied by all documentation called for in the Contract Documents, and such other data and schedules, releases and waivers as Owner may reasonably require. Contractor, upon request, will furnish receipts or releases in full or an affidavit of Contractor that the releases and receipts include all labor, services, material, and equipment for which lien could be filed, and that all payrolls, material, and equipment bills, and other indebtedness connected with the Work, for which Owner might in any way be responsible.

21.1 The making of final payment shall constitute a waiver of all claims by the County except those arising from:

- a. Unsettled claims;
- b. Faulty or defective Work appearing after completion of the Work;
- c. Failure of the Work to comply with the requirements of the Contract Documents; or
- d. Terms of any warranties or special warranties required by the Contract Documents.

21.2 The acceptance of final payment by Contractor shall constitute a waiver of all claims by Contractor except those previously made in writing and separately identified by Contractor as unsettled in the final Application for Payment.

21.3 All provisions of the Contract Documents including without limitation those establishing obligations and procedures or surviving termination or expiration hereof, shall remain in full and effect notwithstanding the making or acceptance of final payment.

21.4 No payment, including final payment, shall be construed as an acceptance of defective or incomplete Work, and Contractor shall remain responsible for its performance conforming with the requirements of the Contract Documents.

22. Final payment is subject to the Final Settlement requirements and time periods set forth in C.R.S. §38-26-107.

23. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by any application for payment, whether incorporated in the Project or not, will pass to Owner at the time of payment free and clear of all liens, claims, security interests, and encumbrances (in these General Conditions referred to as "Liens").

24. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. Neither the recommendation of any progress or final payment nor the payment by Owner to Contractor under the Contract Documents, nor any use or occupancy of the Work or any part thereof by Owner, nor any act of acceptance by Owner, nor any failure to do so, nor any correction of defective Work by Owner shall constitute an acceptance of Work not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents.

25. If Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor to stop the Work until the correction is made.

26. Contractor shall promptly correct Work rejected by Owner as failing to conform to the requirements of the Contract Documents and Contractor shall bear the cost of correcting such rejected Work.

27. Contractor warrants to Owner that: (i) materials and equipment furnished under the Contract Documents shall be of first class quality and new unless otherwise required or permitted by the Contract Documents; (ii) the Work shall be free from defects and deficiencies; (iii) the Work shall conform to the requirements of the Contract Documents, applicable laws and applicable permits; and (iv) the Work shall be performed in a good workmanlike manner. All guarantees or warranties of equipment or materials furnished to Contractor or any subcontractor(s) by any manufacturer or supplier shall be for the benefit of Owner. Contractor shall and hereby does covenant, warrant and agree that it shall repair or replace any and all of the Work, together with other Work which may be displaced in so doing, that does not conform with the requirements of this Section 27, without any cost to Owner for a period of twelve (12) months following the date of completion of the Work. This obligation shall survive both final payment for the Work or designated portion thereof and termination of this Agreement. Further, any Work corrected in accordance with this Section 27 by Contractor, shall be subject to an additional one (1) year warranty from the date of correction on the same terms and conditions as the initial warranty. The extended warranty shall only apply to the items of Work requiring correction.

28. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Prompt notice of all defects shall be given to Contractor. If, within twelve (12) months following the date of completion of the Work, or such longer period of time as may be set forth in the Agreement (including the bid), prescribed by law, prescribed by the terms of any applicable warranty given by a materials supplier or required by or a part of the Agreement, any Work is found to be defective, Contractor shall promptly, without cost to Owner, and in accordance with Owner's written instructions, either correct such defective Work, or, if it has been rejected by Owner, remove it from the site, and replace it with non-defective work. If Contractor does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or the rejected, removed and replaced, and all direct and indirect costs of such removal and replacement, including compensation for additional professional services, shall be paid by Contractor. Any defective Work corrected by Contractor in accordance with this Section 28, shall extend the warranty for an additional one (1) year from the date of the correction of the defective Work on the same terms and conditions as the initial warranty. The extended warranty shall apply only to the items of Work requiring correction.

29. If Contractor defaults or neglects to carry out the Work in accordance with the Agreement and fails within a seven day (7) period after receipt of written notice from the Owner to correct such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, the Agreement may be terminated by Owner or a Change Order shall be issued deducting the cost of correction from payments due the Contractor. The cost of correcting such deficiencies set forth in said Change Orders shall be calculated based upon the Unit Prices, plus Owner's actual, out-of-pocket expenses plus a surcharge equal to five percent (5%).

30. The performance of the Work may be terminated at any time in whole, or from time to time in part, by Owner for its convenience. Any such termination shall be effected by delivery to Contractor of a written notice ("Notice of Termination") specifying the extent to which performance of the Work is terminated and the date upon which termination becomes effective. After receipt of a Notice of Termination, and except as otherwise directed by Owner, Contractor shall, in good faith, and to the best of its ability, do all things necessary, in the light of such notice and of such requests in implementation thereof as Owner may make, to assure the efficient, proper closeout of the terminated Work (including the protection of Owner's property). Among other things, Contractor shall, except as otherwise directed or approved by Owner:

- a. stop the Work on the date and to the extent specified in the Notice of Termination;
- b. place no further orders or subcontracts for services, equipment or materials except as may be necessary for completion of such portion of the Work as is not terminated;
- c. terminate all orders and subcontracts to the extent that they relate to the performance of Work terminated by the Notice of Termination;

d. assign to Owner, in the manner and to the extent directed by it, all of the right, title and interest of Contractor under the orders or subcontracts so terminated, in which case Owner shall have the right to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

e. with the approval of Owner, settle all outstanding liabilities and all claims arising out of such termination or orders and subcontracts; and

f. deliver to Owner, when and as directed by Owner, all documents and all property which, if the Work had been completed, Contractor would be required to account for or deliver to Owner, and transfer title to such property to Owner to the extent not already transferred.

In the event of such termination, there shall be an equitable reduction of the Base Bid Price to reflect the reduction in the Work.