

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. To the extent applicable, public works projects may be exempt from certain sales, consumer, use, and similar taxes. Contractor shall be solely responsible for determining the applicability of any tax exemption and for properly obtaining and applying such exemption. If Contractor fails to obtain or properly apply any applicable tax exemption(s), Contractor shall be responsible for payment of the same. Owner will reasonably cooperate with Contractor to obtain applicable tax exemptions for this Project, but makes no representations or warranties regarding their availability or applicability.
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 that may affect the Work or the cost thereof. Any failure by Contractor to do so will not relieve Contractor of responsibility for successfully performing the Work in accordance with the Contract Documents without additional cost to the Owner. Owner assumes no responsibility for any understanding, interpretation, or representation of conditions, whether oral or in writing, made by any of its officers, employees or agents prior to the execution of the Agreement, unless expressly stated in the Agreement.
4. Before commencing activities under the Agreement, Contractor shall: (a) take field measurements and verify field conditions; (b) carefully compare such conditions and other information known to Contractor with the Contract Documents; and (c) promptly report errors, inconsistencies or omissions discovered to Owner. Contractor shall not proceed with affected Work until such issues have been resolved. Failure to report such matters shall constitute acceptance of the conditions as suitable for performance of the Work.
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 planned sequence, timeline, and milestones necessary for completion of the Work on or before the Contract Time. Contractor shall monitor and update the Project Schedule as Work progresses, on at least a monthly basis and more frequently if reasonably requested by Owner. Further, Contractor shall maintain and deliver to Owner daily job reports 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. Failure to advance the Work in accordance with the Project Schedule within the Contract Time may constitute a default as set forth in the Agreement.

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. Contractor agrees that no charges, claims, or demand for damages, compensation, or additional payment shall be made against Owner for any delays, hindrances, or interruptions to the Work from any cause whatsoever. Contractor's sole and exclusive remedy for any delay shall be an extension of the Contract Time. Owner may, in its sole discretion, grant an extension of the Contract Time for delays that Owner determines are excusable and were not caused, in whole or in part, by the fault or negligence of Contractor or Contractor's subcontractors, suppliers, or anyone for whom Contractor is responsible. Any extensions of Contract Time shall in no instance exceed the time actually lost to Contractor by reason of such excusable delay. Contractor shall provide Owner with written notice of any event or condition that Contractor contends may cause a delay to the Work. Such notice shall be provided as soon as practicable under the circumstances, but in no event later than forty-eight (48) hours after Contractor first becomes aware of the delay or potential delay. The notice shall describe the cause of the delay, the anticipated impact on the Contract Time, and the measures Contractor is taking to mitigate the delay. Failure to provide timely notice shall constitute a waiver of any right to a Contract Time extension related to such delay. In the event of any disagreement between Owner and Contractor as to whether a delay is excusable or the amount of Contract Time eligible for an extension, the amount of time not in dispute shall be processed as a Change Order. Any disputed portion shall be processed as a Claim under the provisions of Section 7 of the Agreement and Section 19 of these General Conditions. Contractor shall bear the burden of proving entitlement to any Contract Time extension. Pending resolution of any delay claim or dispute, Contractor shall continue to proceed with the Work diligently and in accordance with the Contract Documents. Under no circumstances shall there be any justification to suspend, slowdown or abandon the work. Under no circumstances shall any delay, hindrance, suspension, or interruption of the Work entitle Contractor to any adjustment to the Base Bid Price, Unit Prices, or Contract Price, regardless of cause.

8. Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions or, where none apply, generally accepted best practices. 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 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' prior 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 obtain such special inspection, testing or approval. If such special inspection, testing, or approval is needed due to defective or nonconforming Work, the cost shall be borne by Contractor. Otherwise, such costs shall be addressed by written change order.

8.1 Contractor shall supervise, coordinate and direct the Work, continuously monitor performance, and inspect the quality and workmanship of the Work to identify any defects or

deficiencies. Contractor shall maintain good discipline and order among its employees and subcontractors and shall require subcontractors to do the same. Contractor shall, upon Owner's reasonable determination that the Project is not adequately staffed or that the Work is not progressing in accordance with the Contract Documents, replace on-site supervision personnel as needed.

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 is 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, and the rules and regulations ("Governmental Rules") applicable to the Work. If the Contractor performs Work knowing it to be contrary to the Governmental Rules 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 of the Work and such Governmental Rules.

10. Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work, including all Governmental Rules. Contractor shall provide and maintain reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners, occupants, and users of adjacent properties and utilities of any hazardous conditions. The Contractor shall promptly remedy damage to property caused in whole or in part by the Contractor, or by anyone whose acts Contractor may be responsible.

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 obligations under the Contract Documents. In the event a Change Order increases the Contract Sum of the Project, the amounts of such bonds shall be increased accordingly. These bonds shall remain in effect at least until one (1) 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 a form 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 any surety on any bond furnished 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 furnish a replacement bond and surety acceptable to Owner.

13. Contractor shall be solely responsible for the protection of the Work until final acceptance by Owner and shall bear the risk of loss or damage to the Work from any cause. 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 pursue recovery directly against 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 obligation to restore the damaged Work.

14. Contractor's Insurance:

Contractor shall provide and maintain at Contractor's sole cost and expense, the following insurance coverage with limits of liability not less than those stated below:

a. Types of Insurance.

i. **Workers' Compensation insurance:** as required by law.

ii. **Automobile Liability** covering any auto, or if Contractor has no owned autos, hired and non-owned autos, with limit of no less than \$1,000,000 per accident for bodily injury and property damage.

iii. **Commercial General Liability (CGL)** covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be \$4,000,000.

b. Other Requirements. The insurance policies are to contain, or be endorsed to contain, the following provisions:

i. **Additional Insured Status.** County, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. Coverage can be provided in the form of an endorsement to the Contractor's insurance.

ii. **Primary Coverage.** For any claims related to this Agreement, the **Contractor's insurance coverage shall be primary and non-contributory** as respects County, its officers, officials, employees, and volunteers. Any insurance of self-insurance maintained by County, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

iii. ***Umbrella or Excess Policy.*** The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this Agreement. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance.

iv. ***Coverage After Completion.*** All required insurance shall remain in full force and effect through final payment and thereafter for so long as Contractor is performing any Work, including correction, removal, or replacement of defective Work. Contractor shall maintain Commercial General Liability insurance, including products and completed operations coverage, for not less than two (2) years following final payment. Such completed operations coverage shall not be canceled, nonrenewed, or materially reduced during the required period without prior written notice to Owner. Contractor shall furnish Owner with evidence of continuation of such coverage at the time of final payment and upon request thereafter during the required period.

v. ***Notice of Cancellation.*** Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to County.

vi. ***Waiver of Subrogation.*** Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may acquire against County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not County has received a waiver of subrogation endorsement from the insurer.

vii. ***Self-Insured Retentions.*** Self-insured retentions must be declared to and approved by County. County may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

viii. ***Acceptability of Insurers.*** Insurance is to be placed with insurers authorized to conduct business in the state of Colorado with a current A.M. Best’s rating of no less than A:VII, unless otherwise acceptable to County.

ix. ***Verification of Coverage.*** Contractor shall furnish County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Section. All documents are to be received and approved by County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor’s obligation to provide them. County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. A certificate of insurance consistent with the foregoing requirements is attached hereto as **Exhibit B**.

x. ***Subcontractors.*** Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractors.

xi. ***Special Risks or Circumstances.*** County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

c. Other Insurance Provisions.

i. The insurance provisions of this Agreement shall survive expiration or termination hereof.

ii. The parties hereto understand and agree that the County is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or rights, immunities and protections provided by the Colorado Governmental Immunity Act, as from time to time amended, or otherwise available to County, its affiliated entities, successors or assigns, its elected officials, employees, agents and volunteers.

iii. If Contractor fails to secure and maintain the insurance required by this Agreement and provide satisfactory evidence thereof to County, County shall be entitled to immediately terminate this Agreement.

iv. Contractor is not entitled to workers' compensation benefits except as provided by the Contractor, nor to unemployment insurance benefits unless unemployment compensation coverage is provided by Contractor or some other entity. The Contractor is obligated to pay all federal and state income tax on any moneys paid pursuant to this Agreement.

v. If Contractor maintains broader coverage and/or higher limits than the minimums shown above, County requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to County."

17. **Indemnification.** The Contractor shall indemnify, defend, and hold harmless County, and any of its officers, agents and employees against any losses, claims, damages or liabilities for which County may become subject to, insofar as any such losses, claims, damages or liabilities arise out of, directly or indirectly, this Agreement, or are based upon any performance or nonperformance by Contractor or any of its sub-contractors hereunder; and Contractor shall reimburse County for reasonable attorney fees and costs, legal and other expenses incurred by County 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 the County to the extent that County is liable to such third party for such claims without regard to the involvement of the Contractor. This paragraph shall survive expiration or termination hereof.

18. Changes in the Work after execution of the Agreement, and without invalidating the Contract Documents, may be made only by written Change Order executed by Owner, subject to the limitations stated in the Contract Documents. A Change Order shall 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 adjustment to the applicable Unit Prices. No verbal, course of conduct, or other directive may authorize a change to the Work, Contract Time, or Base Price without a written Change Order executed by Owner.

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 arising out of or relating the Contract Documents.

19.2 Pending final resolution of a Claim, Contractor shall proceed diligently with performance of the Work 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 entitles Contractor to an adjustment to the Base Bid Price (as it relates to quantities and not Unit Prices) or Contract Time, Contractor shall provide a written notice of claim (“Notice of Claim”) to Owner. Such Notice of Claim shall:

- (a) clearly identify the order or event which is relied upon and contain a clear statement of why it constitutes a basis for adjustment;

- (b) state the contractual basis for the Claim, including citation to applicable Contract Document provisions;

- (c) state the amount compensation claimed, including all costs, expenses, damages and extensions of time claimed as a result of this alleged change; and

- (d) include a detailed description and reasonable 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 no event later than seven (7) days after Contractor knew or should have known of the facts and 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 an increase in the Base Bid Price shall be limited to changes 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.

Failure to timely submit a Claim for an increase in the Base Bid Price or Contract Time, or any additional Work performed prior to written approval, constitutes a waiver of any right to adjust the Base Bid Price or Contract Time related to 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 to prevent the threatened damage, injury or loss, and shall provide notice as soon as practicable thereafter.

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.

Any approved extension shall be reflected only by an executed Change Order. Actual delays in activities that do not affect the critical path shall not be the basis for a Change Order.

19.6 All Claims for extensions of the Contract Time shall be submitted in writing to Owner as soon as reasonably practicable but no later than five (5) days after Contractor's knowledge of the first instance of delay. Contractor shall identify the delay and related activities 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 making a Claim for an extension of time as a result of a delay, Contractor shall provide Owner with the following specific information:

- (a) nature of the delay;
- (b) date (or anticipated date) of commencement of delay and anticipated duration of the delay;
- (c) activities on the Project Schedule affected by the delay;
- (d) the responsible parties or events responsible for the delay; and
- (e) proposed mitigation measures 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 negotiations or litigation arising out of the Contract Documents.

20. Progress Payments:

If the Project is subject to progress payments, not more often than once a month, Contractor shall submit 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 fully discharge all of Contractor's obligations reflected in prior applications for payment. The amount of retainage, with respect to progress payments, shall be as required by 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 shall conduct a final inspection with Contractor and shall notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete, defective, or otherwise not in compliance with the Contract Documents. Contractor shall immediately take such measures as are necessary to remedy all deficiencies at Contractor's sole expense. Defects are those identified by an Eagle County Official(s), whose determination as to compliance and quality shall be final.

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 submit an application for final payment in accordance with the procedure for progress payments.

The final application for payment shall be accompanied by all documentation required by the Contract Documents and such additional data and schedules, releases and waivers as Owner may reasonably require. Contractor, upon request, shall 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 a lien could be filed, confirming that no outstanding indebtedness exists for which Owner may be liable.

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

- a. Unsettled claims;
- b. Faulty or defective Work discovered after completion of the Work;
- c. Failure of the Work to comply with 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 Claims previously made in writing and expressly 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 Work not 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, as applicable.

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, shall 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 promptly correct Work that does not conform to the Contract Documents, Owner may direct Contractor to suspend the Work until the correction is made. Said suspension of Work shall not extend the Contract Time or cause an adjustment to the Contract Sum.

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

27. Contractor warrants to Owner that:

- (a) materials and equipment furnished under the Contract Documents shall be new and of first-class quality unless otherwise required or permitted by the Contract Documents;
- (b) the Work shall be free from defects and deficiencies;
- (c) the Work shall strictly comply with the requirements of the Contract Documents, applicable laws, and applicable permits; and
- (d) 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 pursue correction of said default, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, Owner may terminate the Agreement or issue a Change Order 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 in whole or in part, for any reason, at any time, with or without cause by Owner for its convenience. Any such termination shall be affected 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, promptly and in good faith, take all actions necessary to ensure 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 to the terminated Work;
- 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, materials and 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 termination for convenience, there shall be an equitable reduction of the Base Bid Price to reflect the reduction in the Work. Contractor shall not be entitled to anticipatory profits or consequential damages resulting from such termination.