

GENERAL CONDITIONS FOR SMALL PROJECTS

These General Conditions shall govern the Agreement between the St. Tammany Parish School Board (“Owner”), and Contractor (“Agreement”).

1. General Provisions

1.1 The Contract Documents consist of this Agreement, the drawings, specifications, addenda issued prior to the execution of this Agreement, any contract modifications, including but not limited to change orders and construction change directives, the performance and payment bonds, any advertisement or solicitation for quotes/bids, and the Project Manual.

1.2 Contractor shall furnish all labor and materials to construct and complete the project shown on the contract documents and specifications, as identified in the Agreement (hereinafter “Work” or “Project”).

2. Payment

2.1 Owner shall pay Contractor for all labor and materials installed or consumed during the course of the work the sum specified in the Agreement between Owner and Contractor (“Contract Sum”).

2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment, all Work for which Certificates of 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 other encumbrances adverse to the Owner’s interests.

3. Terms of Payment

3.1 The Contractor shall submit to the Architect, 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 Owner and Architect may require. This Schedule, unless objected to by the Owner or Architect, shall be used as the basis for reviewing the Contractor’s applications for payment.

3.2 Monthly, but not later than the 5th of the month, the Contractor shall submit to the Architect an application for payment for portions of the Work completed during the prior month, less retainage of ten percent (10%) for projects with a Contract Sum of less than \$500,000 and five percent (5%) for projects with a Contract Sum of \$500,000 or more. Each application for payment shall be prepared in accordance to the Schedule of Values, and will be reviewed by the Architect for accuracy based upon the progress and completeness of the Work.

3.3 If certified by the Architect, the Owner, within thirty days of receipt of the certified application for payment shall submit payment to the Contractor. In the event that the Architect or Owner disagrees with the application or anything contained therein, the application shall be returned to the Contractor for correction. Following correction of the application, the Contractor shall re-submit the payment application, at which time the Architect will review and the Owner will pay within thirty days of receipt of the certified application.

3.4 Final Payment. Upon completion of a final Application for Payment, the Architect will inspect the Work. When the Architect and Owner find the Work acceptable and the Contract fully performed, the Architect shall certify the application and the Owner shall issue payment to the Contractor upon thirty (30) days of such acceptance. Regardless of the foregoing, Final Payment shall not become due until the Contractor submits to the Architect a Clear Lien and Privilege Certificate issued by the Clerk of Court for the Parish of St. Tammany, Louisiana, which is dated at least forty-six (46) days after the recordation of the Certificate of Substantial Completion.

3.5 Liens. In the event a lien is filed by anyone in relation to the Work, the Architect or Owner shall have the right (1) to require the Contractor to furnish a release of lien that has been recorded by the entity filing the lien; (2) to require that the Contractor discharge the lien by posting a bond with the Clerk of Court for the Parish of St. Tammany; (3) obtain a Notice of Cancellation Certificate for each filed lien; and/or (4) withhold from payment then due or that may subsequently become due to the Contractor an amount of not less than 125% of the lien amount or as may be sufficient to indemnify the Owner against the lien/claimant, including bond premiums and attorney's fees, and to apply the same in such a manner as the Owner deems necessary to satisfy such claims and liens. In the event the Contractor does not cause the lien to be discharged, Contractor shall be deemed in default and the Owner shall have the right to terminate the Contractor and call upon the surety to complete the Work.

3.6 Withholding of Payment. The Architect may withhold or nullify a Certificate for Payment, in whole or in part, to the extent reasonably necessary to protect the Owner. Reasons for withholding or nullification include, but are not limited to, (1) defective or deficient Work not remedied, (2) third-party claims filed or that will probably be filed based upon reasonable evidence, (3) Contractor's failure to make payments to subcontractors or suppliers, (4) reasonable evidence that the Work cannot be completed with the unpaid balance of the Contract Sum, (5) repeated failure by the Contractor to properly carry out the Work, or (6) to assess liquidated damages due to Contractor's failure to complete the Work within the allotted Contract Time.

4. Architect

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

behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified in writing in accordance with other provisions of the Contract.

4.2 The Architect will visit the site weekly and at intervals appropriate to the stage of the construction 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. The Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

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

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

4.5 The Architect has authority to reject Work that does not conform to the Contract Documents and to require inspection or testing of the Work.

4.6 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.

4.7 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect will make initial decisions on all claims, disputes, and other matters in question between the Owner and Contractor but will not be liable for results of any interpretations or decisions rendered in good faith.

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

4.9 The Architect will prepare Change Orders and Construction Change Directives as provided herein.

4.10 Upon request of the Contractor, the Architect will conduct inspections to determine the date of Substantial Completion and the date of Final Completion and will issue the Punch List of items to be corrected by the Contractor.

5. Owner Responsibilities and Rights

5.1. If necessary for the Work, the Owner shall furnish all necessary surveys and a legal description of the site.

5.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, the Owner shall obtain and pay for other necessary approvals, easements, assessments and charges.

5.3 Owner's Right to Stop the Work. If the Contractor fails to correct Work that is not in accordance with the Contract Documents, the Owner may direct the Contractor to stop the Work until the correction is made.

5.4. 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 seven (7) day period after written receipt of notice from the Architect to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, the Contract Sum shall be adjusted to deduct the cost of correction from payments due the Contractor.

5.5 Owner's Right to Perform Construction and to Award Separate Contracts. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project. The Contractor shall coordinate and cooperate with the Owner's own forces and separate contractors employed by the Owner. Costs caused by delays or improperly timed activities or defective construction shall be borne by the party responsible therefor.

5.6 Right to Audit/Record Retention. The Contractor shall keep full and accurate records of all costs incurred and items invoiced in connection with the Work and shall keep and maintain all records related to this Project for a period of at least five (5) years after Final Payment. The Contractor shall require the same of its subcontractors, suppliers, or any entity involved with the Project or the Work. Such records shall be open to audit by the Owner and/or its authorized representatives and/or the Louisiana Legislative Auditor.

5.7 The Owner will not have control over or charge of, and will not be responsible for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's

responsibility. The Owner will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

5.8 The Owner shall record this Agreement, along with the Payment and Performance Bonds, with the Clerk of Court for the Parish of St. Tammany, State of Louisiana.

6. Contractor Responsibilities

6.1 Execution of the Contract by the Contractor shall constitute a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed and correlated personal observations with the requirements of the Contract Documents, which the Contractor fully understands their intent and purpose. The Owner assumes no responsibility or liability for the physical condition or safety of the Project site or improvements located on the site. The Contractor is solely responsible for providing a safe place for the performance of the Work.

6.2 The Contractor shall comply with the provisions of the Louisiana Underground Utilities and Facilities Damage Prevention Law, La. R.S. 40:1749.11, *et seq.*, as amended, prior to any portion of the Work that may require excavation including, but not limited to, pile driving, digging, auguring, boring, backfilling, dredging, compressing, plowing-in, trenching, ditching, tunneling, land leveling, grading or mechanical probing. Damage to any existing underground utilities by the Contractor shall be repaired at the Contractor's sole cost and expense. Such damage must be reported immediately to the Owner. The Contractor shall undertake to make such further investigation including, without limitation, all structural, surface and subsurface conditions, including soil borings and otherwise of the Project site, regardless of whether or not shown in the Contract Documents.

6.3 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner and Architect. Before commencing activities, the Contractor shall (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to the Contractor with the Contract Documents; and (3) promptly report errors, inconsistencies or omissions discovered to the Architect.

6.4 Contractor's Construction Schedule. The Contractor, promptly after being awarded the Contract, shall prepare and submit, for the Owner and Architect's approval, a Contractor's construction schedule for the Work. The schedule shall include the Date of Commencement as set forth in a Notice to Proceed and must show completion of the Work within the Contract Time. No schedule showing an early completion date will be accepted. The Contractor shall revise its schedule at appropriate intervals dictated by the condition and progress of the Work and shall provide for the expeditious and practical execution of the Work. The schedule may be used as a means to determine the Contractor's progress in performance of the Work, but neither the provision of the schedule by the Contractor nor its acceptance shall act in any way to relieve the Contractor of his obligations under the Contract. If the Contractor falls behind

schedule due to no fault of the Owner or the Architect or due to unforeseen circumstances, the Contractor shall take appropriate measures to correct, at no additional cost to the Owner.

6.5 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 the construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work.

6.6 The Contractor, as soon as practicable after the award of the Contract, shall furnish in writing to the Owner through the Architect the names of subcontractors or suppliers for each portion of the Work. The Contractor shall not contract with any subcontractor or supplier to whom the Owner has made a reasonable and timely objection. The Contractor shall not permit employment of unfit persons or persons not skilled in the tasks assigned to them. All employees or other persons carrying out the Work shall wear appropriate identification on their shirt at all times when on the Project.

6.7 The Contractor shall name a superintendent and, once approved by the Owner, the superintendent shall not be changed for the Project without prior approval of the Owner.

6.8 Log of Changes. The Contractor shall maintain a current log of Requests for Information (RFIs), Change Orders and Construction Change Directives, and shall provide the Architect with a copy of said logs on a monthly basis.

6.9 Unless otherwise provided for in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for the proper execution of the Work.

6.10 The Contractor shall enforce strict discipline and good order amount the Contractor's employees and other persons carrying out the Work.

6.11 All building materials incorporated into the Work shall be certified by the manufacturer to be free of asbestos in accordance with applicable federal standards, including, but not limited to, the Asbestos Hazard Emergency Response Act (AHERA) and the Toxic Substance Control Act (TSCA). Any materials discovered to contain asbestos shall be removed by the Contractor, at the Contractor's sole cost, using current standards of the Louisiana Department of Environmental Quality.

6.12 Warranty. The Contractor warrants to the Owner that (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract Documents. Contractor's warranty includes any warranties required by law or the Contract Documents; however, nothing contained herein shall be construed as a limitation on the Owner's right to commence legal action, as provided by La. R.S. 38:2189.

6.13 Unless otherwise granted tax-exempt agent status by the Owner, the Contractor shall pay sales, consumer, use and similar taxes that are legally required when the Contract is executed.

6.14 Permits, Fees and Notices. The Contractor shall obtain and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work.

6.15 The Contractor shall comply with and give notices required by agencies having jurisdiction over the Work. 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 full responsibility for such Work, and shall bear the attributable costs. The Contractor shall promptly notify the Architect in writing of any known inconsistencies in the Contract Documents with such governmental laws, rules, and regulations.

6.16 Submittals. The Contractor shall prepare a submittal schedule promptly after being awarded the Contract and submit said schedule to the Architect for approval. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule and (2) allow the Architect reasonable time to review submittals. The Contractor shall also promptly submit any product data, samples or other similar submittals to the Architect, if required by the Contract Documents.

6.17 Use of Site. The Contractor shall confine operations at the site to the areas permitted by law, ordinances, permits, the Contract Documents and the Owner.

6.18 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to makes its parts fit properly.

6.19 The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work. At the completion of the Work, the Contractor shall remove its tools, construction equipment, machinery, and surplus material, and shall properly dispose of waste materials.

6.20 The Contractor shall initiate, maintain, and supervise all safety precautions and programs in connection with the performance of the Work; and shall take reasonable precautions to prevent damage, injury and loss to (1) employees or other persons carrying out the Work or on the Project site, (2) the materials and equipment to be incorporated into the Work, and (3) other property at or adjacent to the Project site.

6.21 Tests and Inspections. Tests, inspections, and approvals of portions of the Work required by the Contract Documents or by applicable laws, statutes, codes, ordinances, rules and regulations, or lawful orders of public authorities shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections,

or approvals with an independent testing laboratory acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs for such tests, inspections, and approvals.

6.22 Failure to Perform Work. The Contractor shall be liable to the Owner for all costs and damages that the Owner incurs as a result of the Contractor's failure to perform the Work, or any part thereof, in accordance with the Contract Documents. The Contractor's failure to perform shall include, but not be limited to, the failure of its subcontractors and suppliers of any tier to perform. The Contractor's liability to the Owner shall include, but not be limited to, (1) the increased costs of performance, to include the services of the Architect or other consultant(s), resulting from the Contractor's failure to comply with the Contract Documents; (2) the costs of removal of defective or non-compliant work; (3) costs of corrective or warranty work; (4) liability to third parties caused by the Contractor's failure to perform the Work or any portion thereof; (5) re-procurement costs; (6) attorney's fees and related costs, including costs incurred in enforcing the Owner's rights under the Contract Documents; and (7) liquidated damages.

6.23 Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner and the Architect and their respective agents, Board, and employees from and against claims, damages, losses and expenses, included but not limited to attorneys' fees arising out of or resulting from performance of the Work, 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), but only to the extent caused by the 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 identified hereunder.

7. Time of Completion

7.1 The work to be performed under this Agreement shall commence on a date established in a Notice to Proceed issued by the Owner ("Commencement Date") and be substantially completed within the number of calendar days of the Commencement Date, as set forth in the Agreement between Owner and Contractor. Time limits stated herein are the essence of the Contract. The Owner's operations will be impacted and delayed in if the Project is not substantially complete within the time set forth herein. The Contractor and the Contractor's surety shall be liable for and shall pay to the Owner the fixed, agreed and liquidated damages set forth in the Agreement between Owner and Contractor for each consecutive calendar day (including holidays and weekends) of delay until the Work is substantially complete. Such liquidated damages may be withheld by the Owner from the amounts due the Contractor for progress payments and deducted from the Contract Sum via a Change Order or Constructive Change Directive signed by the Owner.

7.2 Substantial Completion. Substantial completion is a stage in the progress of the work when the work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the work for its intended purpose. When the Contractor considers that the work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Upon receipt of the Contractor's list, the Architect will inspect and determine whether the work or designated portion thereof is substantially complete. If the inspection discloses any item, whether or not included on Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the work for its intended use, the Contractor, before issuance of substantial completion, shall complete or correct such item and submit a request for another inspection. When the work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of substantial completion and shall fix the time within which the Contractor shall finish all items on the punch list accompanying the Certificate. All warranties required by the Contract Documents and/or by law shall commence of the date of substantial completion.

7.3 Within ten (10) days of granting of Substantial Completion, the Owner shall prepare and attach a "Punch List" of exceptions itemizing work remaining to be done by the Contractor to include values commiserate with the cost should the Owner be required to hire third parties to complete said items, which items the Contractor shall complete within forty-five (45) days of the Substantial Completion date. All values associated with the Punch List shall be withheld from the Contractor's payments and shall not be released until the Owner verifies that said items are complete to the Owner's satisfaction. Pursuant to La. R.S. 38:2248(B), the Architect may revise the punch list within fourteen (14) days of submission of the list to the Contractor.

7.4 At its cost, the Contractor shall record the Certificate of Substantial Completion, along with the Punch List, evidencing that the Project has been declared substantially complete with the Clerk of Court for the Parish of St. Tammany, and the recording information shall be furnished to the Architect and the Owner.

8. Permits and Approvals

Contractor shall be responsible for determining which state and local permits are necessary for performing the specified work, and for obtaining and paying for permits.

9. Limited Warranty/Correction of Work

9.1 Contractor warrants that all work shall be completed in a good workmanlike manner and in compliance with all building codes and other applicable laws.

9.2 The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of

correcting such rejected Work, including the costs of uncovering, replacement and additional testing.

9.3 In addition to the Contractor's other obligations including warranties under the Contract, the Contractor shall for a period of one year after Substantial Completion correct work not conforming to the Contract Documents.

9.4 If the Contractor fails to correct non-conforming Work within a reasonable time, the Owner may correct it in accordance with Article 4.4. The Contractor's failure to correct non-conforming Work as required by this Article also shall be grounds for default of the Contract.

10. Subcontractors

The Contractor may at its discretion engage subcontractors to perform services under this Agreement, but Contractor shall remain responsible for proper completion of this Agreement.

11. Independent Contractor Status

Contractor is an independent contractor, not the Owner's employee. The Contractor's employees or subcontractors are not Owner's employees. Contractor and Owner agree to the following rights consistent with an independent contractor relationship.

- Contractor has the sole right to control and direct the means, manner and method by which the services required by this Agreement will be performed.
- The Contractor or Contractor's employees or subcontractors shall perform the services required by this Agreement; Owner shall not hire, supervise or pay any assistants to help Contractor.
- Neither Contractor nor Contractor's employees or subcontractors are eligible to participate in any employee pension, health, vacation pay, sick pay or other fringe benefit plan of Owner.

12. Changes in the Work

12.1 The Owner, without invalidating the Contract, may 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 in writing via a written Change Order signed by the Owner, Contractor, and Architect or, in the absence of agreement, a Construction Change Directive.

12.2 Change Orders. A Change Order shall be based upon a written agreement between the Owner, Architect, and Contractor authorizing a change in the Work or an adjustment in the Contract Sum and/or Time. Change Orders shall only include actual cost of the work of direct labor personnel (i.e. wages, fringe benefits), actual costs of direct materials and supplies necessitated by the change, costs of necessary materials and equipment necessitated by the change, and costs of premium increases for bonds and insurance directly resulting from the

change. No off-site or home office fixed overhead shall be allowed. Overhead and profit shall be allowed but shall not exceed a total of fifteen percent (15%) of the direct costs of work being added by the change, with the General Contractor limited to a maximum OH&P markup of ten percent (10%) on work being performed by subcontractors.

12.3 Change Directives. In the event an agreement regarding the cost or time of a proposed change cannot be reached, the Owner shall issue a Construction Change Directive (“CCD”) to the Contractor ordering the Contract to perform the work. The CCD shall adjust the Contract Sum and/or Time in an amount that the Owner determines to be equitable; and the Contractor shall be required to perform the Work contemplated by the CCD. However, the Contractor shall be permitted to submit a claim to the Owner should it disagree with the adjustment. Contractor shall be required to maintain detailed records for all work encompassed by the CCD in order to be entitled to additional time or money for the work added by the CCD. If the Owner and Contractor cannot agree to a change in the Contractor Sum, the Owner shall pay the Contractor its actual cost, plus and additional ten percent (10%) for overhead and profit.

12.4 The Architect and the Owner shall have the authority to order minor changes in the Work not involving changes in the Contract Sum or Contract Time and not inconsistent with the intent of the Contract Documents. The Contractor shall promptly carry out such orders.

12.5 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those ordinarily found to exist, the Contractor shall notify the Architect promptly and before the conditions are disturbed, and the Contract Sum and Contract Time may be subject to equitable adjustment.

13. Insurance

13.1 The Contractor shall procure and maintain insurance for the duration of the Project and, shall insure that all subcontractors carry and maintain similar insurance in the form and amount acceptable to the Owner. The insurance shall be of the types and limits set forth herein and such insurance as will protect the Contractor from claims which may result from the Contractor’s execution of the work, with such execution be by the Contractor or by those employed by the Contractor or by those who acts they may be liable. All insurance provided by the Contractor shall be primary and be issued by carriers authorized to conduct business in the State of Louisiana.

13.2 The Contractor shall procure general liability insurance covering bodily injury and property damage liability for all hazards of the project, including premise and operations, contractor’s protective liability, products and completed operations, contractual and personal injury liabilities with a minimum combined single limit of \$1,000,000.00.

13.3 The Contract shall procure Workers’ Compensation insurance in accordance with the Workers’ Compensation law of the State of Louisiana.

13.4 The Contractor shall procure automobile liability insurance against claims for bodily injury, death, or property damage resulting from the maintenance, ownership or use of all owned, non-owned, and hired automobiles, trucks, and trailers in the minimum acceptable limit of \$1,000,000.00 per occurrence.

13.5 The above policies shall contain a waiver of subrogation clauses wherein the Contractor, to the fullest extent allowed by law, waives all rights against the Owner, its officers, agents, employees and volunteers for losses arising from Work performed by the Contractor for the Owner.

13.6 The Contractor shall be responsible for the payment of all deductibles and self-insured retentions.

13.7 Performance and Payment Bonds. The Contractor shall procure performance and payment bonds using the Owner's forms for the full amount of the Contract Sum.

13.8 The Owner shall be listed as an Additional Insured on all policies, where permitted. The Contractor shall furnish the Owner with Certificates of Insurance reflecting proof of the required coverage. The Owner reserves the right to request complete certified copies of all required insurance policies at any time.

13.9 The Contractor shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements herein. The Owner reserves the right to request copies of subcontractor's certificates at any time.

14. Terminating the Agreement

14.1 Termination by the Owner for Cause.

The Owner may terminate the Contract if the Contractor:

- Repeatedly refuses or fails to supply enough properly skilled workers or proper materials to carry out the Work as required by and within the time proscribed by the Contract Documents;
- Fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and Subcontractors;
- Repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;
- Fails to complete punch list and/or warranty work as required by law or the Contract Documents; or
- Otherwise guilty of a substantial breach of any provision of the contract documents.

14.1.1 When any of the above reasons exist, the Owner may, with or without certification of the Contractor's default by the Architect, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety seven days' written notice, terminate employment of the Contractor and may (1) take possession of the site and all materials thereon owned by the Contractor, and (2) finish the Work by whatever reasonable method the Owner may deem expedient.

14.1.2 When the Owner terminates the Contract for one of the reasons stated in Article 14.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

14.1.3 If the unpaid balance of the Contract Sum exceeds the cost of finishing the Work, such excess shall be paid to the Contractor. If such cost exceeds the unpaid balance, the Contractor and surety shall be liable to the Owner for the difference and shall pay the difference to the Owner. This obligation for payment shall survive the termination of the Contract.

14.2 Termination by the Owner for Convenience.

The Owner may, at any time, terminate the contract for the Owner's convenience and without cause upon written notice to the Contractor. In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for work actually executed and performed, along with reasonable overhead and profit on the work actually performed and executed, not to exceed ten percent (10%).

14.3 Termination by the Contractor for Cause:

The Contractor may terminate the Contract if the work is stopped for a period of ninety (90) consecutive days 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, for any of the following reasons:

- Issuance of an Order of a Court or other public authority having jurisdiction that requires all work to be stopped;
- An act of government, such as a declaration of national emergency that requires all work to be stopped;
- The Owner has failed to pay properly submitted applications for payment of the Contractor for a period of ninety days.

15. Exclusive Agreement

This is the entire Agreement between Contractor and Owner.

16. Resolving Disputes

16.1 In the event of a dispute involving this Agreement, the party raising the issue shall provide the other party with written notice of the claim within fifteen (15) days after occurrence of the event giving rise to the claim. Any such notice must be provided to the Architect as well.

16.2 If a dispute arises under this Agreement, the parties shall first endeavor to amicably resolve the dispute. In the event the dispute cannot be resolved, either party may institute litigation in the 22nd Judicial District Court for the Parish of St. Tammany, which court shall serve as the exclusive jurisdiction and venue for any disputes arising out of this Agreement.

16.3 Time Limit on Claims. See, La. R.S. 38:2189 for the time limit on claims.

17. Notices

All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

- When delivered personally to the recipient's address as stated on this Agreement
- Three days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated on this Agreement, or
- When sent by fax or telex to the last fax or telex number of the recipient known to the person giving notice. Notice is effective upon receipt provided that a duplicate copy of the notice is promptly given by first class mail, or the recipient delivers a written confirmation of receipt.

17. No Partnership

This Agreement does not create a partnership relationship. Neither party has authority to enter into contracts on the other's behalf.

19. Applicable Law

This Agreement will be governed by the laws of the State of Louisiana.

20. Miscellaneous Provisions

20.1 Assignment of the Contract. Neither party shall assign the Contract as a whole without written consent of the other party.

20.2 The Contractor waives any and all claims against the Owner for consequential damages arising out of this Contract, including, but not limited to, damages incurred by the Contractor for principal office expenses (including the compensation of personnel stationed there), for losses of financing, business and reputation, for attorneys' fees, and for loss of profit except anticipated profit arising directly from the Work.

20.3 Severability. The invalidity of any provision of the Contract Documents shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable and the Contract Documents shall be construed to give effect to the parties' intentions and purposes in executing this Agreement.

20.4 Waiver of Subrogation. The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, (2) the Architect and its consultants, (3) separate contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by this Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance.