COLORADO STATE UNIVERSITY-PUEBLO

GENERAL CONDITIONS OF THE PURCHASE ORDER

- for construction projects

The General Conditions of the purchase order set forth hereinafter are acknowledged by both the owner and the contractor as being as much a part of the purchase order to which attached as though set forth therein. The solicitation and purchase order is one in accordance with CRS 1973-Title 24, as amended.

Article 1. DEFINITIONS:

Contract Documents consist of:

- Purchase Order
- Performance & Payment Bonds (when required)
- Liability & Workmen's Compensation Certificates of Insurance
- General & Supplementary Conditions of the Contract
- Drawings & Specifications including all addenda issued prior to bid opening
- Bid Solicitation
- Proposal (Bid Form)

These Contract Documents are complimentary, and what is called for by any one document shall be as binding as if called for by all. If there is a conflict between the drawings and specifications, the specifications govern.

<u>Materials</u> - Unless otherwise specified, all materials shall be new and both workmanship and materials shall be of good and uniform quality.

<u>Purchase Order</u> - An enforceable contract in that it is written evidence of the owner's acceptance of the contractor's previous and unretracted offer to perform the work subject to the purchase order for the price stated therein.

<u>Work</u> - the material and/or labor the contractor is to furnish to the owner by operation of the Purchase Order.

Owner - Colorado State University-Pueblo, an agency of the State of Colorado. Owner shall be represented by the University Representative.

<u>Contractor</u> - the sole proprietorship, partnership, or corporation to which the Purchase Order.

<u>Subcontractor</u> - a sole proprietorship, partnership or corporation which has a contract with the Contractor for the performance of labor at the site of the work regardless of whether supplying of material is a part of such contract, but without contractual relationship to the Owner.

<u>Supplier</u> - a sole proprietorship, partnership or corporation which over-the-counter or under contract furnishes the Contractor material or equipment incorporated in the work or otherwise incident to the Contractor's performance, but which performs no labor at the work site.

<u>Architect/Engineer (A/E)</u> - The principal architect or engineer under contract with or in the employ of the State of Colorado who prepared the working drawings and/or specifications of the work and who will be responsible for the supervision of the Contractor's performance of the work.

<u>Inspector</u> - an employee of the State of Colorado assigned to inspect the Contractor's performance of the work.

<u>University Representative</u> - an employee of Colorado State University-Pueblo assigned to be the Owner's Project Manager for the Project.

Article 2. ROYALTIES AND PATENTS:

The Contractor shall pay all royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and shall save the State of Colorado harmless from loss on account thereof.

Article 3. PERMITS, LICENSES AND REGULATIONS:

Permits and licenses required for prosecution of the Work shall be procured and paid for by the Contractor.

The Contractor shall give all notices and comply with all laws, ordinances, codes, rules and regulations bearing on the conduct of the work as drawn and specified. If the Contractor observes that the Drawings and Specifications are at variance therewith, he shall promptly notify the A/E in writing and any necessary changes shall be adjusted as provided in the Contract for changes in the work.

If the Contractor performs any work knowing it to be contrary to such laws, ordinances, codes, rules and regulations, and without such notice to the A/E he shall bear all costs arising therefrom.

Article 4. PROTECTION OF WORK AND PROPERTY:

The contractor shall continuously maintain adequate protection of all his work and materials, protect his and the owner's property from injury or loss arising in connection with the Contract and adequately protect adjacent property as provided by law and the Contract Documents.

The Contractor shall make good any damage, injury or loss, except such as may be:

- a) Directly due to errors in the Contract Documents;
- b) Caused by agents or employees of the University;
- Due to causes beyond the Contractor's control and not to his fault or negligence

The Contractor shall take all necessary precautions for the safety of employees on the work, and shall comply with all applicable provisions of Federal, State and University safety laws and building codes to prevent accidents or injury to persons on, about or adjacent to the premises where the work is being performed. He shall erect and properly maintain at all times, as required by the conditions and progress of the work, all necessary safeguards for the protection of workmen and the public and shall post danger signs warning against the hazards created by such features of construction as protruding nails, hoists, well holes, elevator hatchways, scaffolding, window openings, stairways and falling materials; and he shall designate a responsible member of his organization on the work, whose duty shall be the prevention of accidents. The name and position of any person so designated shall be reported to the University Representative by the Contractor.

The Contractor shall provide all necessary bracing, shoring and tying of all structures, decks and framing to prevent any structural failure of any material which could result in damage to property or the injury or death of persons; take all precautions to insure that no part of any structure of any description is loaded beyond its carrying capacity with anything that will endanger its safety at any time during the execution of this Contract; and provide for the adequacy and safety of all scaffolding and hoisting equipment. The Contractor shall not permit open fires within the building enclosure. The Contractor shall construct and maintain all necessary temporary drainage and do all pumping necessary to keep excavations and floors, pits and trenches free of water.

The Contractor shall take due precautions when obstructing exits, exit routes, sidewalks, streets of other public ways in any manner, and shall provide, erect and maintain barricades, temporary walkways, roadways, trench covers, colored lights or danger signals and any other devices necessary to assure the safe passage of pedestrians and automobiles. Notification of the need to block or obstruct any exit, exit route, sidewalk, street or other public way shall be given the University Representative at least 7 days in advance of such blockage or obstruction.

In an emergency affecting the safety of life or of the work or of adjoining property, the Contractor, without special instruction or authorization from the Architect/Engineer or University Representative, is hereby permitted to act, at his discretion, to prevent such threatened loss or injury; and he shall so act, without appeal, if so authorized or instructed. Any compensation, claimed by the Contractor on account of emergency work, shall be determined by agreement for extra compensation.

Page 1 of 5 Revised 06/2007

Article 5. CONTRACTOR/SUBCONTRACTOR/UNIVERSITY REP

<u>Contractor</u>: The Contractor shall supervise and direct the Work, using his best skill and attention. He shall be solely responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract.

The Contractor shall be responsible to the Owner for the acts and omissions of his employees, Subcontractors and their agents and employees, and other persons performing any of the Work under a contract with the Contractor.

The Contractor shall not be relieved from his obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the Architect in his administration of the Contract, or by inspections, tests or approvals required.

<u>Subcontractor</u>: By an appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities which the contractor, by these documents, assumes toward the Owner and the Architect. Said agreement shall preserve and protect the rights of the owner and the Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor, so that the subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor unless specifically provided otherwise in the Contractor-Subcontractor agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by these Documents has against the owner.

<u>University Representative</u>: The University Representative will not be responsible for the acts or omissions of the Contractor, any subcontractor, or any of their agents or employees, or any other person performing any of the work. The University Representative shall have the right to reject all work which does not conform to the Contract Documents.

Article 6. INSPECTION OF THE WORK:

The University Representative and any other authorized representative of the Owner shall at all times have access to the site of the Work for purpose of inspection. The Contractor shall provide safe, convenient and proper facilities for such access and inspection.

The A/E is, in the first instance, the judge of the performance of the Contract as it relates to compliance with drawings and specifications, quality of workmanship and material.

The A/E agrees that he, his structural, mechanical and electrical engineers will make, and the Contractor has the right to expect, periodic visits to the site to generally monitor the progress and quality of the work to determine in general if the work is proceeding in accordance with the Contract Documents. Observation may extend to all or any part of the work and to the preparation, fabrication or manufacture of materials.

Specifically, the A/E has agreed to monitor for contract compliance the following:

- a) Shop drawings;
- b) Bearing surfaces of excavations before concrete is poured;
- c) Reinforcing steel after installation and before concrete is poured;
- d) Structural concrete;
- e) Laboratory reports on all concrete;
- Structural steel during and after erections and prior to its being covered or enclosed.
- Mechanical work following its installation and prior to its being covered or enclosed;
- Electrical work following its installation and prior to its being covered or enclosed;
- General work practices or conditions as they effect the safety and health of University employees, students and public.
- j) As-built documents on completion

If any work should be covered up without approval or consent of the A/E and/or University Representative, it must, if required, be uncovered for examination at the Contractor's expense. Reexamination of questioned work may be ordered, and if so ordered, the work must be uncovered by the Contractor. If such work be found in accordance with the Contract Documents, the Contractor shall be reimbursed the cost of re) examination and replacement. If such work be found not in accordance with the Contract Documents, the Contractor shall pay such costs, unless he shall show that the defect in the work was caused by another Contractor engaged by the University Representative. In that event, the Owner shall pay such cost, with the right to reimbursement from such other Contractor. If the Specifications, the Architect/Engineer's instructions, laws, ordinances or any public authority require any work to be specially tested or approved, the Contractor shall give the University Representative timely notice of its readiness for observation by the University Representative or inspection by another authority, and if the inspection is by another authority, of the date fixed for such inspection, required certificates of inspection being secured by the Contractor.

Article 7. SHOP DRAWINGS:

The Contractor shall prepare, check and verify all field measurements and shall approve and submit to the A/E with such promptness as to cause no delay in his own work or in that of any other Contractor.

The A/E shall, with reasonable promptness, check the shop drawings to determine whether drawings and specifications have been properly interpreted and design requirements fulfilled. All corrections to the drawings shall be clearly noted and returned to the Contractor for any corrections required by the A/E.

The approval of the A/E of such drawings or schedules shall not relieve the Contractor from responsibility for deviations from drawings or specifications, unless he has in writing called the attention of the A/E to such deviations at the time of submission, nor shall it relieve him from responsibility for errors of any sort in shop drawings or schedules.

Article 8. SCHEDULE OF VALUES:

Before filing application for his first payment, the Contractor, shall submit to the A/E for approval, a complete, itemized Schedule of Values of the various parts of the work, aggregating the total contract price.

This schedule, when approved, will be used in preparing Contractor's Application for Payment on AIA Document G702 ad G702A.

Article 9. CONSTRUCTION SCHEDULE:

The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule subcontractors list and schedule of values for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

Article 10. SUPERINTENDENCE OF THE WORK:

The Contractor shall keep a competent and reliable superintendent on the job at all times that labor is being performed. The superintendent, in the Contractor's absence from the site, shall stand in the stead of the Contractor and any authoritative directions given to the superintendent shall be as binding as if given to the Contractor.

Article 11. CHANGES IN THE WORK:

The University Representative, without invalidating the purchase order contract, may order extra work, or make any other reasonably related changes by altering, adding to or deducting from the work; the contract price and time for completion of the work being adjusted accordingly by mutual agreement. CRS 1973 as amended 24-105-301 through 24-106-101 are incorporated and made a part herein by reference as if fully set forth herein.

Page 2 of 5 Revised 08/2002

Article 12. CLAIMS FOR EXTRA COST:

If the Contractor claims that any instructions, by drawings or otherwise, involve extra cost under this Contract, he shall give the A/E and the University Representative written notice thereof within a reasonable time after the receipt of such instructions. In any event, before proceeding to execute the work, except in emergency endangering life or property, the procedure shall be as provided for under Changes in the Work. No such claim shall be valid unless so made.

In all such cases, the Contractor shall keep a correct account of the extra cost, in such form as the A/E may direct, and shall present such account, supported by receipts. The University Representative shall be entitled to reject any claim for extra cost whenever the foregoing procedure is not followed.

The payments to the Contractor in respect of such extra costs shall be limited to reimbursement for the current additional expenditure by the Contractor made necessary by the change in the work, plus a reasonable amount for overhead and profit, determined solely with the reference to the additional work, if any, required by the change, at or prior to the time of making the change.

Should conditions encountered below the surface of the ground be at variance with the conditions indicated by the Drawings and Specifications the Contract Sum shall be equitably adjusted upon claim by either party made within a reasonable time after the first observance of the conditions.

Article 13. DELAYS AND EXTENSIONS OF TIME:

If the Contractor be delayed at any time in the progress of the work by any act or neglect of the University Representative or the A/E, or of any employee of either, or by any separately employed Contractor, or by changes ordered in the work, or by strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, weather conditions out of the ordinary or any other causes beyond the Contractor's control, then the contract time shall be extended by change order for such reasonable time as the University Representative and A/E may determine.

The Contractor shall advise, in writing, the A/E and the University Representative within three (3) days from the beginning of the delay and shall file a written claim for an extension of time within seven (7) days after the period of delay has ceased.

This article does not preclude the recovery of damages for delay by either party under other provisions in the Contract documents.

Article 14. DIFFERING SITE CONDITIONS:

- a) The Contractor shall promptly, before such conditions are disturbed, notify the University Representative and A/E in writing of:
 - subsurface or latent physical conditions at the site differing materially from those indicted in this Contract, or
 - unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in this Contract
- b) No claim of the Contractor under this clause shall be allowed unless the Contractor has given the notice required in (a) above; provided, however, the time prescribed therefor may be extended by the State.
- c) No claim by the Contractor for an equitable adjustment hereunder shall be allowed if asserted after final payment under this Contract.

Article 15. DEDUCTION FOR UNCORRECTED WORK:

If the University Representative deems inexpedient the correction of damaged work or of work not performed in accordance with the contract, equitable reduction of the contract price shall be made therefore.

Article 16. CUTTING, PATCHING:

The Contractor shall do all cutting, fitting, patching or painting of his work that may be required to make its several parts come together properly and fit it to receive or be received by work of other contractors shown upon, or reasonably implied by, the Drawings and Specifications for the complete structure, and he shall make good after them as the A/E may direct. Any cost caused by defective or ill-timed work shall be borne by the party responsible thereof.

Article 17. INSURANCE:

The Contractor shall procure, at their own expense, and maintain for duration of the work, the following insurance coverage:

- a) Standard Workman's Compensation and Employers' liability, including occupational disease, covering all employees engaged in performance of the work at the site, in the amount required by State statutes.
- b) Comprehensive General Public Liability and Property Damage Insurance with a minimum limit of liability per occurrence of \$1,000,000 combined single limit for bodily injury and/or property damage. The coverage shall include:
 - 1) Premises and Operations
 - 2) Products/Completed Operations Hazard
 - Personal Injury
 - Broad Form Property Damage
 - 5) Broad Form Contractual
 - 6) Independent Contractors
 - 7) Explosion/Collapse/Underground (xcu)

Coverages which are not appropriate for a certain project may be deleted by bid condition or by written notice of the University Representative.

- c) Comprehensive Automobile Liability Insurance with a minimum limit of liability per occurrence of \$1,000,000 combined single limit for bodily injury and/or property damage. The coverage shall include:
 - 1) Owned automobiles
 - 2) Non-owned automobiles
 - 3) Hired automobiles
- Excess General and Automobile Liability Insurance with a minimum limit of liability per occurrence of \$1,000,000 combined single limit for bodily injury and/or property damage.

The Contractor shall make arrangements with his insurer for the Board of Governors of the Colorado State University System acting by and through Colorado State University to be additional named insured on all policies for liability insurance.

If any of the said policies shall be or at any time become unsatisfactory to the owner as to form or substance, or if a company issuing any such policy shall be or at any time become unsatisfactory to the owner, the Contractor shall promptly obtain a new policy, submit the same to the University Representative for approval and thereafter submit a Certificate of Insurance as herein provided.

All insurance shall include a provision preventing cancellation without giving thirty (30) days' prior written notice by certified mail to the University Representative.

If Worker's Compensation insurance is carried by the State Compensation Insurance Fund, evidence of such coverage shall be submitted on its Certificate of Insurance Form, if by private carrier, evidence of coverage shall be submitted in the form of a current Certificate of Insurance of a company authorized to do business in the State of Colorado with an original signature of an authorized agent of the company.

The Contractor shall also require each subcontractor to furnish to them proof of Worker's Compensation and Employers' Liability insurance, including occupational disease provisions for all of the latter's employees, otherwise the contractor accepts full liability and responsibility for the subcontractor's employees.

Evidence of Comprehensive General Public Liability, Comprehensive Automobile Liability, and Excess General and Automobile Liability Insurance coverages shall be submitted in the form of a current Certificate of Insurance of an insurance company authorized to do business in the State of Colorado with an original signature of an authorized agent of the company.

The liability insurance must protect the Contractor from all claims for bodily injury, including death, and all claims for destruction of or damage to property, arising out of or in connection with any operations under the Contract, whether such operations be by the Contractor or by a subcontractor under him or anyone directly or indirectly employed by the Contractor or by a subcontractor under the contractor.

The Contractor shall effect and maintain, at their own expense, during the life of the Contract, All Risk Builder's Risk Completed Value insurance if the work is for an entirely new structure, or All Risk Installation Floater insurance if the work is to an existing structure, in the dollar amount of the total project for which the work of this Contract is to be done.

Insurance Forms must be submitted to the University Representative prior to the issuance of the Purchase Order.

The above insurance coverages are the standard required coverages for all projects, unless changed or modified by bid provision.

Page 3 of 5 Revised 06/2007

Article 18. CONTRACTOR PERFORMANCE & PAYMENT BONDS:

If the purchase order contract price is in excess of one hundred thousand dollars (\$100,000) the Contractor, pursuant to State law, Title 24-105,202-203, C.R.S. 1973, as amended, each in the penal sum of the contract price, shall furnish a Performance Bond and a Labor and Material Payment Bond. Proof of ability to furnish said bonds will be a bid bond in the amount of 5% of the bid to be submitted with the Contractor's proposal.

Bonds as prescribed above shall be required if any of the following apply: (1) the base bid is in excess of fifty thousand dollars; or (2) the sum of the base bid plus any possible combination of bid alternates total in excess of fifty thousand dollars.

A certified or cashiers check or bank money order may be accepted in lieu of the bid bond. Bond forms are available from the Principal Representative. Bonds must be submitted to the Principal Representative prior to the issuance of the Purchase Order. The bid bond is submitted as a guaranty that the Proposal will be maintained in full force and effect for a period of thirty (30) days after the opening of Proposal for the project.

Article 19. USE OF PREMISES:

The Contractor shall confine his apparatus, storage of materials and operations of his workmen to such places and within such limits as to cause the least inconvenience to the users of the site, unless given exclusive use of such site.

The work site itself and items stored therein such as flammable and combustible materials, explosives, vehicles, etc., shall conform to applicable laws, ordinances, codes and standards.

Work that could disrupt University operations or be hazardous to University people or equipment shall be scheduled at least 7 days in advance so that alternate arrangements can be made by those operations or people affected.

PROTECTION OF EXISTING UTILITIES. Where existing utilities, such as water mains, sanitary sewers, storm sewers, gas lines, communications systems, and electrical conduits, are shown on the contract documents, the Contractor shall be responsible for the protection thereof, without regard to whether any such utilities are to be relocated or removed as a part of the work. If any utilities are to be moved, the moving must be conducted in such manner as not to cause undue hazard or interruption or delay in the operation.

CROSSING OF UTILITIES. When new construction crosses highways, railroads, streets, or utilities under the jurisdiction of State, County, City or other Public Utility or private entity, the Contractor shall secure proper written permission before executing such new construction. The Contractor will be required to furnish a proper release before final acceptance of the work.

Article 20. CLEANING UP:

The contractor shall at all times observe good housekeeping practices and on completion of the work remove all tools, scaffolding and surplus materials from the premises and leave the area of his operation "broom clean". Other areas or sections of the building not under construction but accumulating dirt or dust due to the Contractor's operations shall be cleaned by the Contractor.

Article 21. EQUAL OPPORTUNITY:

Discrimination - The Contractor agrees to comply with the letter and spirit of the Colorado Anti-discrimination Act of 1957 as amended, and the applicable law respecting discrimination and unfair employment practices, (Reference 24-34-301, C.R.S. 1973, as amended, and the Governor's Executive Order of April 16, 1975 relating to equal opportunity and affirmative action, which are incorporated herein by reference).

- b)The signatories hereto aver that they are familiar with 18-8-301, et seq., (Bribery and Corrupt Influences) and 18-8-401, et seq., (Abuse of public Office), as amended, and that no violation of such provisions is present.
- c)The signatories aver that to their knowledge, no state employee has any personal or beneficial interest whatsoever in the service or property described here. LABOR, MATERIALS AND WAGES:

Title 8-17-101, C.R.S., 1973, as amended, is applicable to this purchase order contract and reads, "Colorado labor shall be employed to perform the work to the extent of not less than eighty percent of each type or class of labor in the several classifications of skilled and common labor employed on such project or public works. The term, 'Colorado labor', as used in this article means any person who has been a bona fide resident of the State of Colorado for a period of not less than one year, without discrimination as to race, color, creed or religion.

Title 8-18-103, C.R.S., 1973, as amended, is applicable to this purchase order contract and reads, "All...public structures constructed in this State shall be constructed and maintained by materials produced or manufactured in Colorado, provided that such Colorado materials can be furnished in marketable quantities, that such preference shall not be for materials of an inferior quality to those offered by competition outside the State".

Article 25. PERIODIC PARTIAL PAYMENTS:

If the purchase order contract price is one thousand dollars or less, payment to the Contractor will be made in one lump sum after completion and owner's acceptance of the work.

If the purchase order contract price is in excess of one thousand dollars, and the time for completion of the work is more than one month, the Contractor may requisition and receive monthly progress payment in the amount of ninety percent of the value of the work completed to date less the total of such previous payments, if the contractor is satisfactorily performing the contract. Use AIA Document G702 and G702A.

Article 26. OWNER'S RIGHT TO TAKE OVER THE WORK:

If the Contractor should fail to prosecute the Work properly and diligently, or default to performance of any provisions of the purchase order and its collateral documents, the Owner after seven days' written notice to the Contractor and his surety (if there be such) may, without prejudice to any other remedy the owner may have, dismiss the Contractor and complete the work and may deduct the cost of so doing from any unpaid balance of the contract price due or to come due the Contractor. If such cost of completion of the work be in excess of the unpaid balance of the contract price, the Contractor shall reimburse the Owner such excess or the Owner shall have cause of action at law for the amount of such excess and all costs of prosecution of such action.

Article 27. OWNER'S RIGHT TO SUSPEND CONTRACTOR'S WORK:

For good and sufficient cause; such as: (a) unsuitable weather, (b) faulty workmanship, (c) improper superintendence, (d) Contractor's failure to carry out any reasonable order or to perform any provision of the purchase order and collateral documents, or (e) any other circumstances unfavorable for prosecution of the work, the Owner shall have the right to suspend the Contractor's performance of the work. Notice of such suspension shall be in writing. The Contractor shall resume performance of the work promptly when so notified in writing.

Page 4 of 5 Revised 08/2002

Article 28. LIENS:

No mechanic's lien lies against a publicly owned building in the State of Colorado. However, as will appear in the next following article, unsatisfied creditors for labor and/or material of the construction Contractor of such a building are by law provided certain security.

Article 29. ACCEPTANCE AND FINAL PAYMENT:

Within ten days after the Contractor's declaration of completion of the work, the owner will make a final inspection thereof to determine whether the work has been completed in accordance with the purchase order contract and collateral documents.

If any punch-list results of such final inspection, the Contractor shall promptly rectify all items appearing thereon.

When the Owner issues notice of acceptance, the Contractor may requisition final payment, including retainage, on account of the purchase order contract price.

Before such final payment may be made, the Owner must comply with Title 38-26-107 C.R.S. 1973, as amended, which requires that publication of a notice of final settlement with the Contractor be made twice in a newspaper of general circulation in the county wherein the purchase order contract was made and the county wherein the work was performed. The date fixed in such notice before which final payment to the Contractor may not be made must be less than ten days after the second publication of such notice. Any unpaid creditor of the Contractor who supplied labor and/or material for the work has those ten days in which to file with the owner a verified statement of the amount due and unpaid. The owner must withhold from payment to Contractor the total amount of such claims for a period of ninety days after the date in the notice fixed for settlement, but the Owner may not directly make payment to the creditor(s). If within those ninety days a creditor does not reach settlement with the Contractor, he must serve on the Owner a notice of "lis pendens" that he has brought action at law, otherwise the owner at expiration of the ninety days will pay the contractor the amount withheld.

Article 30. GUARANTY AND WARRANTIES:

The Contractor shall furnish the owner with a written guaranty for one year covering all labor, materials and workmanship incorporated in the work.

The Contractor, in instances of work performed or material or equipment furnished for which warranties are required by the specification, shall procure such warranties and deliver them to the owner on completion of the work. Such warranties will not lessen the Contractor's responsibilities under the purchase order documents. Whenever warranties or guarantees are required by the specifications for a period longer than one year, such longer period shall govern.

Article 31. TAXES:

Colorado State University is exempt from all Federal and/or State Taxes. Our Federal Excise Exemption Certificate of Registry is 84-0517947. Our Colorado and Local Sales Tax Exemption Number is 98-00585.

Article 32. POST COMPLETION INSPECTION:

Final payment made to the Contractor on account of the work shall not relieve the Contractor of responsibility for faulty material or workmanship, and, unless otherwise provided, the Contractor shall remedy any defect due thereto and pay for any damages resultant therefrom which shall appeal within one year from the date of final acceptance of the work, which date will be that of the Notice of Acceptance of the work.

The Contractor, the Owner, the inspector and the A/E, about six and eleven months after acceptance of the work, as scheduled by the University Representative, shall jointly make guaranty inspections of the work.

If the Contractor fails promptly to correct the punch-list items of such inspections, the Owner may correct such defects and deficiencies and back charge the Contractor the cost thereof.

Article 33. INDEPENDENT CONTRACTOR PROVISIONS:

Neither the Contractor, nor his employees or agents, are entitled to workers' compensation benefits from the University as a result of the duties to be performed hereunder. The Contractor is obligated to pay federal and state income tax on any moneys earned pursuant to this contract relationship.

The Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither the Contractor nor any agent or employee of the Contractor shall be or shall be deemed to be an agent or employee of the University. Contractor shall pay when due all required employment compensation insurance in the amounts required by law, and shall be solely responsible for the acts of the Contractor, its employees and agents.

Page 5 of 5 Revised 06/2007