

4.2 If the Work, or any portion thereof, is not acceptable, the Subcontractor shall be responsible for the cost of remedying unaccepted Work, whether such remedial work is performed by the Subcontractor or any other entity at the request of the Contractor or Owner.

ARTICLE 5

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CONTRACT SUM AND PAYMENTS

5.1 The Contractor agrees to pay to the Subcontractor for the satisfactory completion of Subcontractor's Work the Contract Sum of ~~One Hundred Twelve Thousand~~ ~~Two Hundred Seventy~~ \$112,270.00 in monthly payments of 90% percent of the work performed in any preceding month, in accordance with estimates prepared by the Subcontractor and approved by the Contractor. Payment of the approved portion of the Subcontractor's monthly estimate and final payment shall be conditioned upon receipt by the Contractor of his payment from the Owner.

5.2 Subcontractor shall provide with his monthly applications for payment completed lien waivers and affidavits from his subcontractors and suppliers in a form satisfactory to the Owner and Contractor. Approval and payment of Subcontractor's monthly estimate is specifically agreed not to constitute or imply acceptance by the Contractor or Owner of any portion of the Subcontractor's Work. Final payment shall not constitute acceptance of defective work.

5.3 The Subcontractor agrees and covenants that money received for the performance of this Agreement shall be used solely for the benefit of persons and firms supplying labor, materials, supplies, tools machines, equipment, plant or services exclusively for this Project in connection with this Agreement and having the right to assert liens or other claims against the land improvements, or funds involved in this Project or against any bond or other security posted by Contractor or Owner, that any money paid to the Subcontractor pursuant to this Agreement shall immediately become and constitute a trust fund for the benefit of said persons and firms, and shall not in any instance be diverted by the Subcontractor to any other purpose until all obligations and claims arising hereunder have been fully discharged.

5.4 The Contractor may deduct from any amounts due or to become due to the Subcontractor any sum or sums owing by the Subcontractor to the Contractor; and in the event of any breach by the Subcontractor of any provision or obligation of this Subcontract, or in the event of the assertion by other parties of any claim or lien against the Owner, the Contractor, Contractor's Surety, or the premises upon which the Work was performed, which claim or lien arises out of the Subcontractor's performance of this Agreement, the Contractor shall have the right, but is not required, to retain out of any payments due or to become due to the Subcontractor an amount sufficient to completely protect the Contractor from any and all loss, damage, or expense therefrom, until the claim or lien has been adjusted by the Subcontractor to the satisfaction of the Contractor. This paragraph shall be applicable even though the Subcontractor has posted a 100% labor and material payment bond and a performance bond.

5.5 Final payment will be made when the completed project is accepted by the Owner; the Subcontractor has submitted completed lien waivers and affidavits from his subcontractors and suppliers in a form and to the extent required by the Owner and Contractor; and the Contractor has received final payment from the Owner.

ARTICLE 6

INSURANCE

6.1 The Subcontractor shall, within 10 days of signing this Agreement, but before performing any Work, provide the Contractor with certificates of insurance indicating coverage for Comprehensive General Liability, Comprehensive Auto Liability, claims under workers compensation, disability benefit, and other similar employee benefit acts which are applicable to the work to be performed in accordance with the Conditions Between Contractor and Subcontractor for Design-Build [AGC Document 430] for the following limits:

Comprehensive General Liability		Comprehensive Auto	
	500,000 Each Occurrence		
Bodily Injury	\$ 1,000,000 Aggregate	Bodily Injury	\$ 500,000 Each Occurrence
	500,000 Each Occurrence		
Property Damage	\$ 1,000,000 Aggregate	Property Damage	\$ 500,000 Each Occurrence
	Workers' Compensation		\$ Legal Limit