Volume 1

PART I. FINANCING THE CONSTRUCTION PROJECT: CLAUSES

CHAPTER 1. UNDERLYING OBLIGATIONS

I. GENERAL PROVISIONS

§ :	1:1	Construction period
§ :	1:2	Promissory note as evidence of loan
§	1:3	Description of loans—Construction loans under master loan agreement
§	1:4	Description of notes—Construction loans under master loan agreement
§	1:5	Disbursement—Construction loans under master loan agreement
§ :	1:6	——Procedures for obtaining disbursement
§ :	1:7	Payment of loans—Construction loans under master loan agreement
§ :	1:8	Written notice by registered or certified mail
§ :	1:9	Limited power of attorney for notices
§ :	1:10	Right of access of owner, architect, and mortgagee
§	1:11	Right of owner, architect, and mortgagee to inspect records
§ :	1:12	Recordkeeping and inspection—Deed of trust
§	1:13	Financial statements of grantor and guarantors—Deed of trust
§ :	1:14	Contractor to maintain account in lending institution
§	1:15	Borrower to maintain fund for taxation and insurance—Deed of trust
§ :	1:16	Payment of broker's fee on loan transaction
§ :	1:17	Fixtures and equipment not included in budget
§ :	1:18	Partial release of mortgage
§ :	1:19	USA Patriot Act notice
§ :	1:20	Proceeds of condemnation—Deed of trust
§ :	1:21	Proceeds of rents and income—Deed of trust
§ :	1:22	Transfer and encumbrance of property—Deed of trust

§ 1:23 Annual appraisal requirement

II. CONDITIONS PRECEDENT

§ 1:24	Conditions precedent to loan
§ 1:25	Conditions precedent to lender's obligation
§ 1:26	—First loan advance
§ 1:27	—Subsequent loan advances
§ 1:28	—Multiple loan advances—Construction loans under master loan agreement
§ 1:29	—Prerequisites to advances—Construction loans under master loan agreement
§ 1:30	—Final advance—Construction loans under master loan agreement
§ 1:31	Compliance with environmental laws
§ 1:32	Environmental assessment and asbestos survey
§ 1:33	Tenant improvements to meet requirements of permanent financing
§ 1:34	Approval from owner or lender does not affect rights of architect

III. INTEREST PROVISIONS

§ 1:35	Term of loan and monthly payments
§ 1:36	Prime interest rate as published in financial periodical
§ 1:37	Variable interest rate based on prime rate
§ 1:38	Variable interest rate based on London Interbank
	Offered Rate (LIBOR)

- § 1:39 Interest on loans—Construction loans under master loan agreement
- § 1:40 Interest rate on late payments
- § 1:41 Interest rate on payments extended by bank holiday

IV. SECURITY PROVISIONS

- § 1:42 Title assurance that mortgage is first lien § 1:43 Maintenance of mortgage as first lien
- § 1:44 Mortgage secured by real and personal property
- § 1:45 Mortgage as Uniform Commercial Code security agreement
- § 1:46 Mortgage secures all advances
- § 1:47 Trade fixtures excluded from mortgage
- § 1:48 Subordination of first mortgage lien to construction mortgage
- $\S~1:49$ Subordination of mortgagor's indebtedness to guarantor
- § 1:50 Mortgage of ground lease

§ 1:59

§ 1:60

TABLE O	F CONTENTS
§ 1:51 § 1:52 § 1:53 § 1:54	Maintenance of deposit account with lender Assignment of contracts, plans and specifications Assignment of condominium sale contracts Other security interests subject to lender's approval
V. B	ONDS AND GUARANTIES
§ 1:55	Contractor to provide performance and payment bonds
§ 1:56	Bond or deposit in event of contest by borrower
§ 1:57	Effect of loan modification on surety bond
§ 1:58	Guarantor bound until completion of contract

§ 1:61 Annual income tax returns of guarantors MORTGAGOR'S REPRESENTATIONS AND

Annual financial statements of guarantors

Termination of guaranty on assignment or repayment

	WARRANTIES
§ 1:62	Mortgagor's warranty of title to property
§ 1:63	Validity of corporate mortgagor's legal status and authority
§ 1:64	Validity of actions authorizing corporate mortgage
§ 1:65	Governmental consent to mortgage unnecessary
§ 1:66	Mortgagor's filing and payment of necessary tax returns
§ 1:67	Mortgagor's current financial condition
§ 1:68	No pending proceedings affecting mortgagor
§ 1:69	Mortgagor's compliance with environmental laws
§ 1:70	Absence of casualty damage to property
§ 1:71	Performance of permanent financing arrangement

VII. ASSIGNMENTS AND TRANSFERS OF **INTEREST**

§ 1:72	Lender's assignment of construction loan, note and mortgage
§ 1:73	Borrower's assignment of construction loan or mortgage
§ 1:74	Mortgagor's assignment of interest in ground lease
§ 1:75	Covenants of mortgage binding on assignees
§ 1:76	Assignment of construction contract on default of borrower
§ 1:77	Right of approved buyer to assume mortgage loan
§ 1:78	Assignment of leases and rents from mortgaged property

VIII. PARTICIPATION LOAN PROVISIONS

§ 1:79 Participation loan documents and approval procedure

§ 1:80	Standard of care for participation loan principal
§ 1:81	Participation loan commitments and default procedure
§ 1:82	Sale of interest in participation loan
§ 1:83	Pro rata allocation of loan disbursements to participation lenders
§ 1:84	Procedure for making advances under participation loan
§ 1:85	Apportionment of loan payments to participation lenders
§ 1:86	Pro rata allocation of amount recovered on participation loan
§ 1:87	Recovery of participation lenders based on setoff amounts
§ 1:88	Bookkeeping and accounting
§ 1:89	Appointment of participation lenders' representative
§ 1:90	Payment of loan fee to lenders' representative
§ 1:91	Distribution of loan payments by lenders' representative
§ 1:92	Authority of lenders' representative
§ 1:93	—Agents and counsel
§ 1:94	—Reliance on borrower's counsel
§ 1:95	Liability of participation lenders' representative
§ 1:96	Reimbursement and indemnification of lenders' representative
§ 1:97	Obligation of participation lenders' representative on default
§ 1:98	Removal of lenders' representative and appointment of successor
§ 1:99	Repayment of participation loan terminates agency

CHAPTER 2. MORTGAGOR'S DUTIES AND LIABILITIES

I. NATURE AND EXTENT

§ 2:1	Nonrecourse mortgage
§ 2:2	—Additional security
§ 2:3	Nonrecourse deed of trust
$\S 2:4$	Nonrecourse loan for development partnership
§ 2:5	Subordination of prior liens
§ 2:6	Compliance with ground lease
§ 2:7	Execution of additional loan documents
§ 2:8	—Permanent financing
§ 2:9	Approval of contractors by lender
§ 2:10	Payment of claims for labor and materials

- § 2:11 Payment of municipal license fees and charges
 § 2:12 Payment of mortgagee's litigation costs
 § 2:13 —Action unrelated to mortgage debt
- § 2:14 Proceeds of condemnation award
- § 2:15 Duties for residential development mortgagor
- § 2:16 Duties for construction loan mortgagor
- § 2:17 Condominium developer's sale of units

II. ENVIRONMENT AND MAINTENANCE

- § 2:18 Environmental reports and compliance
- § 2:19 Environmental liability of borrower
- § 2:20 Environmental indemnification of mortgagee
- § 2:21 Maintenance, alteration and waste of premises; inspection
- § 2:22 Waste and structural changes to building; inspection
- § 2:23 Payment of mortgagee's expenses to protect property
- § 2:24 Expense of watchman at building site

III. PRINCIPAL, INTEREST, TAXES AND LOAN EXPENSES

- § 2:25 Request for modification of principal amount
- § 2:26 Interest only period followed by principal reduction period
- § 2:27 Prepayment of loan
- § 2:28 —Penalty for funds borrowed from another lender
- § 2:29 —Penalty based on Treasury securities
- § 2:30 —No penalty
- § 2:31 —Wraparound note
- § 2:32 Interest rate on mortgage advances
- § 2:33 Continuing interest rate
- § 2:34 Contingent interest based on gross receipts
- § 2:35 Real property and other taxes
- § 2:36 —Reserve for contested taxes
- § 2:37 —Monthly tax deposits
- § 2:38 Escrow for payment of additional taxes on improvements
- § 2:39 Tax on note, debt, or mortgage
- § 2:40 —Change of state law
- § 2:41 —Revenue stamps
- § 2:42 Reasonable loan expenses
- § 2:43 Waiver of tax and insurance escrow account
- § 2:44 Usury disclaimer and avoidance

IV. INSURANCE

§ 2:45 Title insurance

§ 2:46	—Policy exception for governmental restrictions
§ 2:47	Fire, casualty and flood coverage
§ 2:48	—Personal injury and workers' compensation coverage
§ 2:49	Hazard, risk, general and professional liability coverage—Deed of trust
§ 2:50	Public liability coverage
§ 2:51	Vandalism and workers' compensation coverage
§ 2:52	Mortgagor's use of insurance proceeds to repair damage
§ 2:53	General and umbrella liability coverage
§ 2:54	Insurance policies and consultant expenses
§ 2:55	Continuation of expiring coverage
§ 2:56	Collateral protection of lender's interest in property
$\S 2:57$	Lender's disclaimer of liability for coverage decisions
§ 2:58	No separate insurance coverage
§ 2:59	Casualty loss procedures
§ 2:60	Distribution of proceeds of fire coverage
§ 2:61	—Mortgagor's election to rebuild
V. P	PLANS AND SPECIFICATIONS
§ 2:62	Preparation of plans and approval by lender
§ 2:63	Supervision of planned work by architect
§ 2:64	Completion of plans by certain date
§ 2:65	Additions and alterations subject to lender's approval
§ 2:66	—Consent to delay
§ 2:67	Surveys
VI.	PERMITS, PROGRESS AND COMPLETION
§ 2:68	Building and other permits
§ 2:69	Compliance with building regulations
§ 2:70	Weekly progress reports
§ 2:71	Expeditious completion of construction
§ 2:72	Extension for delay not due to fault of mortgagor
§ 2:73	Certificates of occupancy and completion
§ 2:74	Completion certificates, licenses, consents and
	approvals
VII.	FINANCIAL STATEMENTS
§ 2:75	Financial statement
§ 2:76	Quarterly balance sheets and annual audit reports
§ 2:77	- · · · · · · · · · · · · · · · · · · ·
_	
§ 2:78	—Offsets

CHAPTER 3. MORTGAGEE'S RIGHTS AND DUTIES

I. RIGHT TO INSPECT CONSTRUCTION AND POST SIGNS

- § 3:1 Inspection and examination of records
- § 3:2 —Monthly prior to disbursement
- § 3:3 Posting of signs

§ 3:32 —Inspection

§ 3:4 —Multiple lenders

II. DUTY TO MAKE ADVANCES AND DISBURSEMENTS

§ 3:5	Creation of building loan account
§ 3:6	Advances on notice from borrower
§ 3:7	Advances according to schedule
§ 3:8	Advances as percentage of cost of completed improvements
§ 3:9	Advances monthly with allocation for land and development
§ 3:10	Advances to borrower or contractor
§ 3:11	Advances to borrower acting as general contractor
§ 3:12	Advances in trust for payment of improvements
§ 3:13	Conditions precedent to advances
§ 3:14	Advance not deemed approval of work
§ 3:15	No obligation to insure proper application of advance
§ 3:16	No advance if title unmarketable
§ 3:17	Disbursements from building loan account
§ 3:18	Conditions precedent to disbursements
§ 3:19	—Architect's certificate as to percentage completed
§ 3:20	—Architect's certificate for payment to contractor, owner, and mortgagee
§ 3:21	—Architect's and contractor's certificates for payment
§ 3:22	—Title and priority of mortgage lien
§ 3:23	Disbursement procedure
§ 3:24	—Title insurance
§ 3:25	—Cost-plus contract
§ 3:26	No duty to make disbursements after default
§ 3:27	Request for reimbursement with contractor's certificate
§ 3:28	Review of request for reimbursement
§ 3:29	Application by contractor for final payment
§ 3:30	—Including retainages
§ 3:31	—Architect's certificate

	Construction and Developmen
§ 3:33	Deductions for examination of title and related expenses
§ 3:34 § 3:35	Suspension or reduction of line of credit Revolving line of credit
III. I	RIGHTS OF WRAPAROUND MORTGAGEE
§ 3:36 § 3:37	Limitations on right to refinance underlying mortgage Limitations on assignment of wraparound mortgage
CHA	PTER 4. DEFAULT IN FINANCING
I. EV	VENTS OF DEFAULT
§ 4:1	False or misleading representation or warranty
§ 4:2	Nonpayment of principal or interest
§ 4:3	Nonpayment of installment on note
§ 4:4	Failure to provide statement of debt
§ 4:5	Nonpayment of taxes and assessments
§ 4:6	Default under superior mortgage
§ 4:7	Failure to maintain property
§ 4:8	Failure to maintain insurance
§ 4:9	Failure to comply with governmental requirements
§ 4:10	Failure to disclose names of contractors or suppliers
§ 4:11	Loss of supervisor in charge of development
§ 4:12	Lack of diligence in construction
§ 4:13	Deviation from plans and specifications
§ 4:14	Failure to complete construction as planned or on time
§ 4:15	Removal or alteration of improvement
§ 4:16	Removal of equipment
$\S 4:17$	Default under construction loan agreement
§ 4:18	Breach of covenant or condition of permanent
	financing agreement
§ 4:19	Purchase of fixtures or personal property under security agreement
§ 4:20	Failure to provide proof of title to fixtures or personal
	nyonowtry

- § 4:21 Chattel mortgage on fixtures or personal property
- § 4:22 Lien against property or improvements
- $\S 4:23$ Mechanic's liens
- § 4:24 Nonpayment of charge under ground lease
- § 4:25 Termination of ground lease
- $\$ 4:26 Failure to reimburse mortgagee for cost of remedying default
- § 4:27 Lease or lease modifications without consent
- § 4:28 Encroachments

- § 4:29 Bankruptcy or assignment for benefit of creditors
 § 4:30 Order of reorganization or appointment of receiver
 § 4:31 Sale of stock by corporate borrower
 § 4:32 Change in management of borrower
 § 4:33 Events of default under mortgage
- § 4:34 Events of default under loan agreement § 4:35 Events of default under construction loan agreement
- § 4:36 Continuance of default after notice

II. NOTICE OF DEFAULT AND CURE

- § 4:37 Notice of default
- § 4:38 Notice of default cure by owner
- § 4:39 Disbursements from loan account to cure default
- § 4:40 Mortgagee's cure of default under ground lease
- § 4:41 Second mortgagee's cure of default under first mortgage

III. MORTGAGEE'S REMEDIES ON DEFAULT; WAIVER

- § 4:42 List of rights and remedies on default
- § 4:43 Lender's rights and remedies cumulative
- § 4:44 —No waiver
- § 4:45 —Statutory mortgage exception
- § 4:46 Limitation on remedies for nonrecourse mortgage
- § 4:47 Acceleration of maturity
- § 4:48 —Remedies cumulative
- § 4:49 —Completion of improvements
- § 4:50 Option to complete
- § 4:51 —Due on sale clause
- § 4:52 ——Second mortgage
- § 4:53 —Events of default
- § 4:54 —Deed of trust
- § 4:55 Acceleration of maturity of two notes on default of either
- § 4:56 Right of setoff
- § 4:57 Interest rate on default
- § 4:58 Lender's right to complete improvements
- § 4:59 —On default
- § 4:60 —Appointment of lender as attorney-in-fact
- § 4:61 Architect to perform for lender
- § 4:62 Assignment of leases and rents to mortgagee
- § 4:63 Rental value of occupied space payable to mortgagee on default
- § 4:64 Right of possession by mortgagee

	Construction and Development
§ 4:65	Lender's right to protect value of property
§ 4:66	Authority of mortgagee to pay taxes and assessments on mortgagor's default
§ 4:67	Assignment of insurance policies, tax refunds, and assessment rebates to mortgagee
§ 4:68	Right to hire watchmen at mortgagor's expense
§ 4:69	Appointment of receiver in foreclosure action
§ 4:70	Sale of property on foreclosure
§ 4:71	Recovery of legal fees on foreclosure
IV. V	WAIVER OF REMEDIES
§ 4:72	Mortgagor's waiver of remedies
§ 4:73	Mortgagor's waiver of appraisement rights
§ 4:74	Mortgagor's waiver of right to demand foreclosure in parcels
§ 4:75	Mortgagee's correction of default not waiver
§ 4:76	Mortgagee's partial exercise of rights not waiver
§ 4:77	No waiver of mortgagee's rights without written
	consent
CHA	PTER 5. JOINT VENTURES
I. PU	URPOSE, POWERS AND DURATION
§ 5:1	Form drafting guide
§ 5:2	Checklist—Drafting joint venture agreement
§ 5:3	Formation of joint venture and name
§ 5:4	Principal place of business of joint venture
§ 5:5	Purpose of joint venture
§ 5:6	Purpose to invest and develop listed property
§ 5:7	Purpose to submit bid and perform construction contract
§ 5:8	Purpose to develop and manage residential units
§ 5:9	Powers of joint venture
§ 5:10	Commencement and term of joint venture
	TATUS AND INDEMNIFICATION OF JOINT
V	ENTURERS
§ 5:11	Commencement and term of joint venture—Medical center
§ 5:12	Joint venture relationship not general partnership
§ 5:13	Joint venture relationship defined by partnership law
§ 5:14	Joint and several liability of venturers under construction contract

- § 5:15 Joint venturers indemnify each other
- § 5:16 Managing joint venturer indemnifies others
- § 5:17 Nominee for title to joint venture property

III. MANAGEMENT AND OPERATION

- § 5:18 Form drafting guide
- § 5:19 Authority of named joint venturer
- § 5:20 Responsibilities of developer and venturer
- § 5:21 Concurrence of both venturers required
- § 5:22 Management agreement with third party
- § 5:23 —Nondelegable duties of joint venturers
- § 5:24 Management by board of representatives
- § 5:25 —Powers of board
- § 5:26 —Composition of board
- § 5:27 —Alternate representatives
- § 5:28 —Board meetings
- § 5:29 —Quorum and voting
- § 5:30 —Operating plan and budget
- § 5:31 —Investigations
- § 5:32 Labor and compensation of venturers
- § 5:33 Sharing of personnel and facilities
- § 5:34 No joint employees

IV. RESOLUTION OF DISPUTES

- § 5:35 Injunction to prevent sale of interest
- § 5:36 Arbitration of disputes
- § 5:37 —Particular issues
- § 5:38 —Replacement of manager
- § 5:39 —Within reasonable time
- § 5:40 —Emergency actions by joint venturers
- § 5:41 —Single arbitrator
- § 5:42 —Board of arbitration
- § 5:43 —Rules
- § 5:44 —Decision binding
- § 5:45 Governing law amendment to joint venture agreement

V. MANAGING JOINT VENTURER

- § 5:46 General duties of project manager
- § 5:47 Duties of administrative joint venturer
- § 5:48 Power to lend venture funds

VI. BOOKS, RECORDS, ACCOUNTS AND REPORTS

§ 5:49 Joint venturer to maintain books and records

§ 5:50	Books to be maintained at place designated by board
§ 5:51	Public accounting firm to prepare books, records, and reports
§ 5:52	Right to inspect books and records
§ 5:53	Deposit and withdrawal procedure for joint venture account
§ 5:54	Maintenance of capital accounts
§ 5:55	Accrual method of accounting
§ 5:56	Profit and loss reports
§ 5:57	—Audits by public accounting firm
§ 5:58	Income tax returns
§ 5:59	—Allocation of taxable income and loss
§ 5:60	Tax liability of existing and new joint venturers
§ 5:61	Tax representations by entity entering into joint venture agreement
VII.	CAPITAL CONTRIBUTIONS
§ 5:62	Preliminary expenses
§ 5:63	Equal contributions from joint venturers
§ 5:64	Specific initial capital contributions by certain date
§ 5:65	Initial capital contributions in agreed amounts
§ 5:66	Initial capital contributions in agreed amounts— Property as contribution
§ 5:67	Additional contributions and allocation of interest in project
§ 5:68	Pro rata additional contributions
§ 5:69	No third-party rights
§ 5:70	Contributions as difference between mortgage and total cost of project
§ 5:71	Contributions as difference between financing and development costs
§ 5:72	Remedies for failure to make additional contributions
VIII.	PROFITS, LOSSES AND CASH FLOW
§ 5:73	"Net revenue" defined
§ 5:74	Equal sharing of profits and losses
§ 5:75	Unequal sharing of profits and losses
§ 5:76	—Remedy for default in contribution
§ 5:77	Reimbursement of capital prior to distribution of profits
§ 5:78	Proportionate sharing with compensation for special services
§ 5:79	Allocation of profits and losses between contractor and investor

housing

§ 5:80 § 5:81	Profits and losses allocated to contractor Cash flow adjusted to current year's profit and loss
IX.	TRANSFER OF INTERESTS
§ 5:82 § 5:83 § 5:84 § 5:85 § 5:86	Right to transfer interest to related individual Validity of transfer of interest of joint venturer Restrictions on transfer of interest —Right of first refusal Right to purchase in event of bankruptcy, garnishment, or attachment
§ 5:87	Right to purchase interest of dead or disabled joint venturer
§ 5:88	Buy-out on specified occurrences
§ 5:89	Buy-out of minority failing to contribute to further development
§ 5:90	Option to purchase coventurer's interest on failure to contribute additional capital
X. D	DISSOLUTION
§ 5:91	Dissolution upon default of venture agreement
§ 5:92	Events causing dissolution
§ 5:93	Events of dissolution, winding up, and distribution of assets
§ 5:94	Liquidation of assets
§ 5:95	Appraisal of joint venture interest upon dissolution
§ 5:96	Continuation after involuntary withdrawal of joint venturer
XI.	FERMINATION
§ 5:97	Form drafting guide
§ 5:98	Events of termination
§ 5:99	No termination until property sold and proceeds distributed
§ 5:100	Termination by majority interest
CHA	PTER 6. LIMITED PARTNERSHIPS
I. P	URPOSE, POWERS AND DURATION
§ 6:1	Form drafting guide
§ 6:2	Checklist—Drafting limited partnership agreement
§ 6:3	Purpose to develop and operate specific property
§ 6:4	Purpose to develop and manage apartment projects
§ 6:5	Purpose to develop and manage federally subsidized

§ 6:6 Purpose and powers to acquire, own, operate, maintain and manage specific property § 6:7 Term of partnership MANAGEMENT AND OPERATION § 6:8 Rights and duties of general partner § 6:9 Consent of partners to borrow additional funds III. PROFITS, LOSSES AND CASH FLOW § 6:10 Capital contributions and interests in profits and losses § 6:11 Additional capital contributions § 6:12 Profits and losses § 6:13 Guaranteed payments during construction § 6:14 Distribution of cash without regard to profit or loss § 6:15 Distribution of net cash receipts § 6:16 Expenses for professional services § 6:17 Reimbursement of general partners for expenses § 6:18 Salaries, drawings, reimbursement and interest § 6:19 Definition—Transfer § 6:20 Prohibition on transfer of interest § 6:21 Permitted transfer of limited partnership interest § 6:22 Conditions on transferring limited partnership interest TRANSFER OF INTERESTS; DISSOLUTION IV. § 6:23 Assignment of limited partnership interest § 6:24 Substitutions § 6:25 Substituted general partner § 6:26 Consent of partners to assignment and substitution § 6:27 No resignation of general partner § 6:28 Sale by joint venturer of limited partnership interests

Sale of partnership interest by limited partner

Death or bankruptcy of limited partner

Dissolution, termination, and liquidation

§ 6:29

§ 6:30

§ 6:31

PART II. FINANCING THE CONSTRUCTION PROJECT: COMPLETE AGREEMENTS

CHAPTER 7. SELLER FINANCING

I. PURCHASE MONEY MORTGAGE SALES

- § 7:1 Purchase agreement for land—Bond or note secured by purchase money mortgage
- § 7:2 —Purchase money mortgage plus funds to build houses
- § 7:3 Purchase agreement for condominium unit—Purchase money mortgage subject to existing mortgage

II. PHASED PURCHASES; INSTALLMENT SALES

- § 7:4 Phased purchase of lots for residential development
- § 7:5 Installment contract with option for sale of undeveloped acreage

III. OPTION AGREEMENTS

- § 7:6 Fixed option agreement
- § 7:7 Option agreement with successive extensions
- § 7:8 Seller's option to finance sale on buyer's failure to obtain loan

IV. TAX-DEFERRED EXCHANGES

- § 7:9 Form drafting guide
- § 7:10 Agreement for tax-deferred exchange of properties subject to mortgages and leases
- § 7:11 Three-party tax-deferred exchange agreement with qualified intermediary
- § 7:12 Tax-deferred exchange of properties situated in different states

CHAPTER 8. GROUND LEASE AND LANDLORD FINANCING

I. DEVELOPER FINANCING

- § 8:1 Form drafting guide
- § 8:2 Ground lease for construction of building
- § 8:3 Ground lease for construction of condominiums
- § 8:4 Ground lease for construction of medical office building and parking facility

§ 8:5	Ground lease for construction of shopping center
§ 8:6	Ground sublease for construction of retail nursery and crafts center
§ 8:7	Ground lease for construction of townhouses
§ 8:8	Ground lease of undeveloped public land
§ 8:9	Amended ground lease of recreational property for construction of resort
§ 8:10	Alternative provisions—Avoidance of liens
§ 8:11	—Encumbrance of leasehold
§ 8:12	—Option to purchase improvements
§ 8:13	—Option to terminate on failure to obtain permit
§ 8:14	Option for unsubordinated ground lease

II. LANDLORD FINANCING

- § 8:15 Form drafting guide
- § 8:16 Shopping center lease with construction allowance

CHAPTER 9. JOINT VENTURE AND PARTNERSHIP AGREEMENTS

I. JOINT VENTURES FOR INVESTMENT IN REAL ESTATE

§ 9:1 Form drafting guide
§ 9:2 Agreement to purchase and hold specific property
§ 9:3 Agreement for venturer to hold title as undisclosed agent pending construction
§ 9:4 Agreement to form back-end joint venture after completion of construction
§ 9:5 Participation lease of office space

II. JOINT VENTURES FOR PERFORMANCE OF CONSTRUCTION WORK

§ 9:6	Agreement to submit bid and perform general construction contract
§ 9:7	Agreement by joint bidders to perform general construction contract
§ 9:8	Joint venture agreement—Bid on condominium contract
§ 9:9	Agreement by joint bidders to perform general construction contract—Between contractor and subcontractor
§ 9:10	Joint venture line item agreement between constructors for project—ConsensusDocs form 297

§ 9:11	Joint venture agreement between constructors for project—ConsensusDocs Form 298
§ 9:12	Joint venture agreement for design-build project— ConsensusDocs form 499
§ 9:13	Agreement to install plumbing, air conditioning and ventilating systems
§ 9:14	Agreement to submit bids and complete bridge painting contracts
§ 9:15	Joint venture agreement to purchase property and complete residential construction
§ 9:16	Master joint venture agreement to purchase property and construct shopping centers

III. JOINT VENTURES FOR CONSTRUCTION AND SALE OR LEASE

§ 9:17	Letter of intent for construction and lease of office building
§ 9:18	Agreement to construct and sell apartment building
§ 9:19	Agreement to construct and sell residential condominium units
§ 9:20	Agreement between landowner and developer for residential subdivision
§ 9:21	Agreement between developer and investor for residential subdivision
§ 9:22	Agreement to develop and operate industrial park
§ 9:23	Master joint venture agreement to develop and lease shopping centers
§ 9:24	Agreement between developer and real-estate investment trust to develop shopping center

IV. PARTNERSHIP AGREEMENTS

§ 9:25	Form drafting guide
§ 9:26	Land development partnership—Letter of agreement
§ 9:27	Property investment and management partnership
§ 9:28	Commercial property management partnership
§ 9:29	Hunting lodge development partnership
§ 9:30	Residential condominium unit partnership
§ 9:31	Agreement to form partnership to develop shopping center

CHAPTER 10. LIMITED PARTNERSHIP, INCORPORATION AND LIMITED—LIABILITY COMPANY AGREEMENTS

I. LIMITED PARTNERSHIP AGREEMENTS

§ 10:1	Statewide investment and development of real estate
§ 10:2	Development with environmental protection of rural land
§ 10:3	Development of multiple housing project units
§ 10:4	Acquisition, improvement, and operation of listed properties
§ 10:5	Acquisition, improvement and operation of listed properties—Interest on unpaid capital contributions
§ 10:6	Family limited partnership agreement—Office building
§ 10:7	Development fee agreement between limited partnership and developer
§ 10:8	Amendment of agreement after settlement with estate of deceased partner
§ 10:9	Rehabilitation of building for mixed residential and

II. SPECIFIC PROJECT PARTNERSHIPS

commercial use

- § 10:10 Owner contributes land to become limited partner in project
 § 10:11 General partner supervises construction and sale of development
 § 10:12 Owner and developer as general partners seeking construction loan
- § 10:13 Agreement admitting new investors to apartment project
- § 10:14 Assumption agreement for plant project funded by federally guaranteed loan

III. INCORPORATION AGREEMENTS

- § 10:15 Incorporation agreement between developer and owner
- § 10:16 Incorporation agreement between construction and management companies

IV. LIMITED-LIABILITY COMPANY AGREEMENTS

- § 10:17 Limited liability company agreement for residential townhomes
- § 10:18 Limited liability company agreement for mixed use retail and condominium building

§ 10:19	Limited liability company agreement for commercial and residential development
§ 10:20	Limited liability company agreement for business park development and management through subsidiary
§ 10:21	Limited liability company agreement for general construction activities
§ 10:22	Series limited liability company agreement for financing and developing property
§ 10:23	Limited liability company agreement for land acquisition and development—Residential lots plus multifamily, retail, school and park use
§ 10:24	Joint venture limited liability company operating agreement—ConsensusDocs Form 299

CHAPTER 11. SUBDIVISION FINANCING

I. FUNDING CONSTRUCTION AND DEVELOPMENT

§ 11:1 Subdivision development with seller financing
 § 11:2 Interim subdivision loan agreement between lender and developer
 § 11:3 Subdivision improvements agreement between developer, lender, and municipality
 § 11:4 Set-aside letter to implement construction of subdivision improvements
 § 11:5 Assessment district bond financing for acquisition of improvements

II. RESTRICTIONS ON SUBDIVISION DEVELOPMENT

- § 11:6 Indenture of trust and restrictions for urban subdivision with platted lots
- § 11:7 Indenture of trust and restrictions for rural subdivision with unplatted lots

Volume 2

CHAPTER 12. LOAN AGREEMENTS

I. ACQUISITION, DEVELOPMENT, AND CONSTRUCTION LOANS

§ 12:1 Checklist—Drafting construction loan agreements

§ 12:2	Land acquisition and development loan
§ 12:3	Predevelopment loan agreement for consolidation of
	notes secured by mortgage
§ 12:4	Building loan agreement
§ 12:5	—Apartment complex
§ 12:6	—Leases subject to lender's approval
§ 12:7	Commercial building loan agreement—Automatic extension of maturity dates
§ 12:8	—Optional extension of maturity dates
§ 12:9	—Variable interest rate based upon LIBOR
§ 12:10	Construction financing provided by contractor
§ 12:11	Construction loan agreement
§ 12:12	—Residence
§ 12:13	—Homes
§ 12:14	 — Lender's right to complete project
§ 12:15	—Improvements
§ 12:16	—Borrower's affidavit for advance
§ 12:17	—Retail center—Pre-leasing requirements
§ 12:18	—Subdivision
§ 12:19	Revolving development and construction loan agreement—Amendment
§ 12:20	Construction loan agreement—Non-revolving construction loan facility
§ 12:21	—Shopping center
§ 12:22	—Government services office
§ 12:23	Modification agreement—Construction loan agreement
§ 12:24	Amended and restated modification of promissory note and security agreement
§ 12:25	Construction loan disbursing agreement

CHAPTER 13. LOAN APPLICATIONS AND COMMITMENTS

I. LOAN APPLICATIONS

- § 13:1 Construction loan application and agreement
- $\S~13:2~$ Construction and permanent loan application agreement

II. ACQUISITION, DEVELOPMENT, AND CONSTRUCTION LOAN COMMITMENTS

- § 13:3 Checklist—Drafting guide for construction lender
- § 13:4 Line of credit for site acquisitions

§ 13:5	Acquisition loan commitment
§ 13:6	Acquisition and development loan commitment
§ 13:7	Development and construction loan commitment— Conditions
§ 13:8	Construction loan commitment
§ 13:9	—Drafting commentary
§ 13:10	—General conditions
§ 13:11	—Fixed interest rate
§ 13:12	—Variable interest rate
§ 13:13	—Condominium or rental development options
§ 13:14	—Low-income housing development
§ 13:15	—Office building
§ 13:16	Conditions of construction loan commitment
§ 13:17	—Retention of commitment fee
§ 13:18	Indemnity agreement for fees of construction loan broker
§ 13:19	Commitment to participate in construction loan for condominium development
§ 13:20	Reply to construction loan commitment
III. IN	NTERIM LOAN COMMITMENTS

§ 13:21	Interim loan commitment letter
§ 13:22	Interim loan commitment from guarantor
§ 13:23	Secondary construction financing commitment

IV. PERMANENT LOAN COMMITMENTS

§ 13:24	Application for permanent loan with provision for REIT participation
§ 13:25	Takeout loan commitment from permanent lender to construction lender
§ 13:26	Takeout loan commitment from purchaser to construction lender
§ 13:27	Notice from construction lender to borrower of permanent loan commitment
§ 13:28	Permanent loan commitment for commercial property
§ 13:29	Permanent loan commitment for community center— New Markets Tax Credit program

CHAPTER 14. MORTGAGES, DEEDS OF TRUST, AND NOTES

I. CONSTRUCTION MORTGAGES AND NOTES

§ 14:1 Construction mortgage

§ 14:2	Construction mortgage or deed of trust note
§ 14:3	Construction mortgage note—Adjustable interest rate
§ 14:4	——Limit on monthly rate changes
§ 14:5	—Multiple interest rates
§ 14:6	—Refinance of demand notes
§ 14:7	—Consolidation
§ 14:8	—Renewal and/or modification
§ 14:9	Revolving construction note
§ 14:10	Consolidation note for predevelopment mortgage— Renewal
§ 14:11	—Future advance
§ 14:12	Rider for federally guaranteed mortgage note

II. CONSTRUCTION DEEDS OF TRUST AND NOTES

§ 14:13	Construction deed of trust
§ 14:14	—Apartment complex
§ 14:15	Construction deed of trust for subdivision
§ 14:16	Construction deed of trust note
§ 14:17	—Option to accelerate maturity
§ 14:18	—Option to extend interim financing
§ 14:19	Leasehold deed of trust
§ 14:20	Leasehold deed of trust, security agreement, and
	financing statement

III. PERMANENT DEEDS OF TRUST, MORTGAGES AND NOTES

§ 14:21	Deed of trust note
§ 14:22	Consolidation of deeds of trust and notes
§ 14:23	Building mortgage with environmental warranties and representations
§ 14:24	Leasehold mortgage
§ 14:25	—Secured interest in personal property
§ 14:26	—Additional provisions
§ 14:27	Consolidation of mortgages
§ 14:28	—Fee and leasehold estates
§ 14:29	Wraparound mortgage rider
§ 14:30	Subrogation agreement for wraparound lender
§ 14:31	Combination construction and permanent mortgag note

CHAPTER 15. GUARANTIES, INDEMNIFICATION, AND ADDITIONAL LOAN SECURITY

I. GUARANTIES

§ 15:1	Guaranty for repayment of construction loan
§ 15:2	—By partners with pledge of partnership shares
§ 15:3	Guaranty for repayment of capital contributions to limited-liability company
§ 15:4	Guaranty of predevelopment consolidated mortgage note
§ 15:5	Guaranty for completion of construction project
§ 15:6	Guaranty for completion of municipal development plan
§ 15:7	Unconditional continuing guaranty of construction loan
§ 15:8	-Minimum net worth and liquid assets covenants
§ 15:9	Surety's agreement to lend funds to contractor
§ 15:10	Surety's agreement to guarantee loan to contractor
§ 15:11	Indemnity agreement for bond surety of contractor
II. EN	VIRONMENTAL INDEMNIFICATION
§ 15:12	Environmental indemnification for construction loan
§ 15:13	—By borrower and guarantors
§ 15:14	Environmental indemnification for acquisition and development loan
§ 15:15	Reimbursement agreement for brownfield redevelopment
III. AS	SSIGNMENTS FOR CONSTRUCTION LOA

§ 15:16 § 15:17	Assignment of construction contract —With contractor's consent to continue performance
\$ 15:18	Architect's certificate and consent to assignment of
	contract to lender
\$ 15:19	Contractor's consent to assignment of construction documents
§ 15:20	Continuing assignment of construction and other contracts
§ 15:21	Assignment by developer of construction consulting contract
§ 15:22	Assignment by developer of construction documents
§ 15:23	Assignment of escrow funds
§ 15:24	Assignment of leases and rents

IV. ADDITIONAL SECURITY FOR CONSTRUCTION LOANS

§ 15:25	Agreement by principals to complete construction
§ 15:26	Consent of contractor to terms of loan
§ 15:27	—Extra work only by agreement
§ 15:28	Contractor's assurances to lender—Subordination of contractor's liens
§ 15:29	Agreement between contractor, borrower, and lender
§ 15:30	Agreement between contractor, owner, and lender—Federally guaranteed loan
§ 15:31	Consent of architect to continue performance after default
§ 15:32	—Priority of lender's lien
§ 15:33	Subordination of construction contract retainage to construction mortgage
§ 15:34	Subordination of first mortgage to development mortgage
§ 15:35	Subordination of purchase money mortgage to construction mortgage
§ 15:36	Subordination agreement by equipment lessor
§ 15:37	Project account agreement

V. ADDITIONAL SECURITY FOR PERMANENT LOANS

§ 15:38	Assignment of leases and rents
§ 15:39	Notice to tenants of lease assignment
§ 15:40	Tenant's acceptance of lease assignment
§ 15:41	Assignment of leasehold interest to limited partnership
§ 15:42	Representation and estoppel certificate of borrower and construction lender
§ 15:43	Construction lender's legal opinion on realization of collateral
§ 15:44	Owner's assignment of additional collateral
§ 15:45	Intercreditor and subordination agreement
§ 15:46	Subordination, nondisturbance, and attornment agreement and estoppel
§ 15:47	Punch list escrow agreement
§ 15:48	Maintenance charges escrow agreement

CHAPTER 16. APPRAISALS, EVALUATIONS, AND INSPECTIONS

I. APPRAISALS AND EVALUATIONS

§ 16:1 Checklist—Acquisition and development of property

- § 16:2 Lender's evaluation of undeveloped land
 § 16:3 Project feasibility analysis
 § 16:4 Appraisal for construction loan
- § 16:5 Borrower's request for architectural services

II. ENVIRONMENTAL INSPECTION AND EVALUATION

§ 16:6 Environmental disclosure form
 § 16:7 —Federal law compliance
 § 16:8 Environmental inspection easement
 § 16:9 Agreement authorizing lender's attorneys to enter into environmental audit agreement
 § 16:10 Environmental audit agreement between lender's attorneys and auditor
 § 16:11 Site assessment agreement between lender's

III. CONSTRUCTION INSPECTION REPORTS

attorneys and environmental consultant

- § 16:12 Consultant's inspection report to lender
- § 16:13 Inspection report by lender

CHAPTER 17. WORKOUT AGREEMENTS

- § 17:1 Agreement to negotiate workout agreement
- § 17:2 Workout agreement for change in condominium developer
- § 17:3 Escrow instructions for transfer of deed to lender
- § 17:4 Deed in lieu of foreclosure agreement
- § 17:5 Standstill and bridge loan agreement
- § 17:6 Assumption agreement
- § 17:7 —Modification of terms
- § 17:8 —Construction loan
- § 17:9 Recasting agreement
- § 17:10 Contract of sale for property development in voluntary bankruptcy
- § 17:11 —Special warranty deed
- § 17:12 —Assignment of declarant's rights

PART III. CONTRACTING FOR CONSTRUCTION AND DEVELOPMENT SERVICES: CLAUSES

CHAPTER 18. SPECIFICATIONS AND MODIFICATIONS

I. PLANS AND SPECIFICATIONS; DRAWINGS

	,
§ 18:1	Form drafting guide
§ 18:2	Conditions, drawings and specifications as contract documents
§ 18:3	Plans, specifications and drawings included in contract by reference
§ 18:4	Architect to furnish additional instructions and drawings when necessary
§ 18:5	Contractor to furnish drawings and instructions
§ 18:6	Submission of plans and specifications by contractor for owner's approval
§ 18:7	Submission of shop drawings by contractor for owner's approval
§ 18:8	Submission by ground lessee of plans and specifications for lessor's approval
§ 18:9	Owner to furnish plans for bridges, culverts, and drains to engineers
§ 18:10	Plans and specifications for fast-track construction
§ 18:11	Preparation of detailed plans as work progresses
§ 18:12	2 Instructions for as-built drawings
§ 18:13	Architect's specifications not to restrict competition
§ 18:14	Contractor's admission of sufficiency of plans, specifications and drawings
§ 18:15	Contractor to comply with drawings and specifications
§ 18:16	6 Contractor responsible for unintentional omissions in specifications
§ 18:17	Contractor to report inconsistencies to architect
§ 18:18	Priority of contract documents regarding inconsistencies
§ 18:19	Submission by contractor of reproducible prints for shop drawings
§ 18:20	Information to be included with shop drawings
§ 18:21	Number of shop drawings
§ 18:22	

§ 18:23	Duplication of details in drawings
§ 18:24	Contractor to give notice to architect for details
§ 18:25	Architect to furnish scale drawings for details
§ 18:26	Maintenance at site by contractor of current drawings and specifications
§ 18:27	Maintenance at site by contractor of plans indicating alterations
§ 18:28	Ownership and use of architect's drawings and specifications

II. PROJECT DESCRIPTIONS; MANAGEMENT; TITLE TO PROJECT; ASSIGNABILITY OF CONTRACT

§ 1	8:29	Description of contractor's work
§ 1	8:30	—Owner's responsibilities
§ 1	8:31	Description of subcontractor's work
§ 1	8:32	Contractor responsible for all work except as specified
§ 1	8:33	Limitation of construction manager's responsibility
§ 1	8:34	Construction manager not to provide certain professional services
§ 1	8:35	Owner Not Responsible for Acts of Contractor
§ 1	8:36	Description of subcontractor's work—By reference to contract documents
§ 1	8:37	——Subject to approval of contractor and owner
§ 1	8:38	Description of excavation and concrete work
§ 1	8:39	Description of work necessary to clear site
§ 1	8:40	Description of work necessary to move building
§ 1	8:41	Description of construction management work
§ 1	8:42	Description of architectural design and engineering work
§ 1	8:43	Coordination of work by contractor
§ 1	8:44	Coordination of work by design professional
§ 1	8:45	Administration of work by construction manager
§ 1	8:46	Responsibilities of owner's representative
§ 1	8:47	Project management by engineer acting through project manager
§ 1	8:48	Personnel and qualifications
§ 1	8:49	Personnel and Qualifications—Key personnel
§ 1	8:50	Relationship of the parties
§ 1	8:51	Regular consultations between construction manager, architect and owner
§ 1	8:52	Owner's responsibility to provide information and services
8 1	8.53	Owner's responsibility to designate representative

§ 18:54	Key personnel for project design
§ 18:55	Owner's right to appoint representative during construction
§ 18:56	Owner's right to hire construction manager
§ 18:57	Responsibilities as to other jobs at same location
§ 18:58	Finality of determinations by architect and owner
§ 18:59	Title to project to be in owner
§ 18:60	Title to project to be in contractor
§ 18:61	Assignability of contract
§ 18:62	—By owner to lender

III. TOOLS, EQUIPMENT, PRODUCTS AND UTILITIES

§ 18:63	Maintenance manuals and operating instructions
§ 18:64	Instruction books for equipment
§ 18:65	Tests for equipment
§ 18:66	Contractor to furnish tools, machinery, appliances and materials
§ 18:67	Contractor to furnish scaffolding and tools
§ 18:68	Contractor to furnish labor and materials
§ 18:69	Contractor to furnish labor and materials— Compliance with contract documents required
§ 18:70	Contractor to furnish labor and materials—Deviation from contract documents
§ 18:71	Efficiency of tools, appliances, plant and equipment
§ 18:72	Owner to furnish power and water
§ 18:73	Submission by contractor of list of products for approval by owner and architect
§ 18:74	Owner's right to disapprove materials
§ 18:75	Samples of material or workmanship
§ 18:76	Compliance with product standards
§ 18:77	Submission by contractor of samples for owner's approval
§ 18:78	Notice to architect of choice of materials
§ 18:79	When substitution of products permitted
§ 18:80	Criteria for substitution of products
§ 18:81	Procedure for substitution of equipment, materials and articles
§ 18:82	No substitution of products without formal request
§ 18:83	Procurement of materials by purchase order
§ 18:84	Ownership of materials purchased by contractor
§ 18:85	Ownership of delivered and undelivered materials
§ 18:86	Delivery of materials in timely manner
§ 18:87	Delivery of prefabricated units to site

§ 18:88	Temporary facilities for equipment and employees
§ 18:89	Temporary storage for equipment and materials
§ 18:90	Temporary weather protection for property
§ 18:91	Connection of utilities
§ 18:92	Water well system
§ 18:93	Septic holding tanks
§ 18:94	Cooling or heating interior during construction

IV. MODIFICATIONS AND CHANGE ORDERS

§ 18:95	Form drafting guide
§ 18:96	Checklist—Drafting contract clauses for
	performance of extra work
§ 18:97	Architect may order changes that do not increase
	expenses
§ 18:98	Architect may order minor changes in writing
§ 18:99	No alterations without written order of architect
§ 18:100	Architect's change order must specify amount to be paid
§ 18:101	Architect's determination of value of alterations
§ 18:102	—Arbitration of dispute
§ 18:103	Architect's change order
§ 18:104	Contractor to give written notice to architect
§ 18:105	—Extra cost
§ 18:106	Contractor to give written notice to owner
§ 18:107	Contractor to give change orders to subcontractor
§ 18:108	—Substitute subcontractor
§ 18:109	—Adjustments in price
§ 18:110	Contractor's consent to overtime and night work
§ 18:111	Contractor to perform additional work within
	contract price
§ 18:112	Contractor to request additional time for alterations
§ 18:113	Consent of contractor's bondsperson
§ 18:114	—Filing with supervising engineer
§ 18:115	Procedure for communications between contractor and owner
§ 18:116	Owner to give additional instructions to contractor in writing
§ 18:117	Changes to the work—Owner initiated change orders
§ 18:118	—Contractor Requests For a Change Order
§ 18:119	—Change Order For Delays
§ 18:120	—Change Order for Contractor Delay or Error
§ 18:121	—Duty to Continue the Work
§ 18:122	—Effect of Changes in Laws and Codes

§ 18:123	—Effect on Completion
§ 18:124	Owner may make changes within general scope of contract
§ 18:125	Owner may add or omit work from plans
§ 18:126	Owner to give change orders to construction manager
§ 18:127	Agreement between owner and contractor as to extra work
§ 18:128	—Supplementary contract
§ 18:129	Agreement between owner and contractor for chang orders and overages
§ 18:130	Notice to surety by owner unnecessary
§ 18:131	Reduction by owner of scope of work and cost of project
§ 18:132	Public works director to make change orders
§ 18:133	Public works director and city manager to make change orders
§ 18:134	Extra work by contractor in emergency situations
§ 18:135	Extra work by contractor due to hazardous site conditions or materials
§ 18:136	Methods of determining value of alterations
§ 18:137	Value of alterations as cost plus percentage
§ 18:138	Arbitration as to value of alterations

CHAPTER 19. COMMENCEMENT, COMPLETION, AND TERMINATION

I. COMMENCEMENT DATES

§ 19:1	Scheduled start and finish dates
§ 19:2	Notice to proceed
§ 19:3	—Some work may begin earlier
§ 19:4	Commencement of the work—Final notice to proceed
§ 19:5	—Limited notice to proceed
§ 19:6	Owner to give notice to proceed to contractor
§ 19:7	Subcontractor to begin work as stated in notice to proceed
§ 19:8	Notice to state time of commencement and period for completion of work
§ 19:9	Commencement by subcontractor before conditions satisfied
§ 19:10	Conditions for commencement of hazardous waste abatement
§ 19:11	Preconstruction phase
§ 19:12	Preliminary evaluation

§ 19:13	Preliminary project schedule
§ 19:14	Work schedule
§ 19:15	Phased construction schedule
§ 19:16	Scheduling procurement of items with long lead time
§ 19:17	Commissioning and start-up, preparation of punch list
§ 19:18	Commencement of construction phase
II. CO	OMPLETION DATES AND DELAYS
§ 19:19	Substantial completion of subcontract by date certain
§ 19:20	Tentative completion date for residential construction
§ 19:21	Contractor to furnish proposed schedule for work
§ 19:22	Design professional to furnish proposed schedule for services
§ 19:23	Subcontractor to give contractor advance notice of completion
§ 19:24	Conditions of final completion
§ 19:25	Completion procedures
§ 19:26	Time for performance of construction management agreement
§ 19:27	—After notice to proceed
§ 19:28	Time of the essence
§ 19:29	Diligent and timely performance
§ 19:30	Diligent and timely performance—Delay by construction manager
§ 19:31	Diligent and timely performance—Contractor to assist construction manager with scheduling
§ 19:32	Strikes and labor disputes do not excuse performance
§ 19:33	Delay added to time for completion
§ 19:34	—Fault of owner or casualty damage
§ 19:35	Delay added to time for subcontractor's completion
§ 19:36	Force majeure delay of design services agreement
§ 19:37	Delay caused by owner or force majeure to extend delivery date
§ 19:38	Engineer's right to suspend work
§ 19:39	Liquidated damages for failure to complete on time
§ 19:40	—Referencing time of the essence clause
§ 19:41	—Excluding delays not caused by contractor
§ 19:42	—Contract subject to lease requirements
§ 19:43	—Acknowledged by parties' initials
§ 19:44	—Exclusive remedy
§ 19:45	Letter of credit to be maintained by contractor as security against delay or default
§ 19:46	—Drawdown by owner of the letter of credit

§ 19:47	Liquidated damages for subcontractor's failure to complete on time
§ 19:48	—Subcontractor liable for excess
§ 19:49	Performance liquidated damages
§ 19:50	Liquidated damages for each uncompleted unit
§ 19:51	Maximum liability for liquidated damages
§ 19:52	Contractor to purchase property if completion delayed
§ 19:53	Acceleration of work behind schedule and overtime
	pay

III. TERMINATION OF CONTRACT

Š	19:54	Form drafting guide
§	19:55	Checklist—Drafting termination provisions of construction contract
8	19:56	Termination by owner for convenience
_		· · · · · · · · · · · · · · · · · · ·
_	19:57	Termination by owner without cause
-	19:58	Termination by owner for contractor's failure to cure defects
§	19:59	Termination by owner for contractor's delay or failure to complete
§	19:60	Termination by owner for fault or insolvency of contractor
§	19:61	Termination by owner for fault of contractor or for any other reason
Ş	19:62	Termination by owner for cause
_	19:63	Termination by owner for damage or destruction of
·		premises
§	19:64	Termination of contract for failure of owner to secure financing
§	19:65	Termination by owner of architect's contract for delay
§	19:66	Termination by owner or contractor on written notice
§	19:67	Termination rights of owner and of contractor
§	19:68	Procedures for payments to contractor—Monthly invoices submitted to engineer
§	19:69	Termination by contractor
§	19:70	—Owner fails to pay
8	19:71	Termination by vendor for cause
_	19:72	Termination of construction management agreement
8	19:73	Termination of construction management agreement
Ü		by owner for any reason
§	19:74	Termination of agreement with design professional
§	19:75	Contractor to notify unions of termination of contract
8	19:76	Architect's performance after owner's default
_	19:77	Suspension of work by owner for convenience

§ 20:17

- § 19:78 Suspension of work by vendor for owner's failure to pay
- § 19:79 Bankruptcy of either party

CHAPTER 20. CONSTRUCTION COSTS AND PAYMENTS

I. PURCHASE PRICE, COSTS, AND FEES

§ 20:1 Compensation provisions—Form drafting guide § 20:2 Checklist—Drafting compensation provisions in construction contracts Guaranteed maximum price and time to complete § 20:3 project § 20:4 Option to establish guaranteed maximum price to § 20:5 Guaranteed maximum cost affected only by unanticipated changes § 20:6 Cost savings passed on to owner § 20:7 Cost savings shared and contractor to bear overrun § 20:8 Distribution of savings under guaranteed maximum cost § 20:9 Definition of "net profits" § 20:10 Unit-pricing compensation § 20:11 —With adjustments for cost savings and overruns § 20:12 Qualifications on the obligation to pay § 20:13 Payment of attorney's fees by contractor § 20:14 Maintenance by contractor of cost records Deductions for sales taxes paid § 20:15 § 20:16 Construction manager to reconcile construction cost estimate

II. ADJUSTMENTS TO COMPENSATION

Preliminary cost estimates

- § 20:18 Deduction from price for incorrect or incomplete work
- § 20:19 Decrease in contract price for defective work
- § 20:20 Adjustment of price to avoid hardship to owner or contractor
- § 20:21 Increase in compensation for early completion or cost savings
- § 20:22 Increase in contractor's compensation for union labor
- § 20:23 Adjustment of compensation for early or late completion
- § 20:24 Contractor to bear expense of additional materials or overtime

§ 20:25	Adjustment in price for deviation from estimated quantity of materials
§ 20:26	Increase or decrease in freight rates
§ 20:27	Adjustment in price for union labor
§ 20:28	Price revision formula and rules of application
§ 20:29	Cost adjustment for sub-surface conditions
3 20.20	Cost adjustment for sub surface conditions
III. C	OST-PLUS COMPENSATION
§ 20:30	Form drafting guide
§ 20:31	Checklist—Drafting cost-plus provisions for construction contracts
§ 20:32	Cost-plus fixed fee—Reimbursement by owner for expenses
§ 20:33	—With guaranteed maximum cost
§ 20:34	Cost-plus percentage fee—Payment by owner for material, labor and expenses
§ 20:35	—Reimbursement for cost
§ 20:36	——Less retainage until completion
§ 20:37	—Residential subdivision
§ 20:38	Cost of project—Credits for discounts and rebates
§ 20:39	—Items excluded from cost-plus calculation
§ 20:40	Cost of subcontractor's project—Items included and credited in cost-plus calculation
§ 20:41	—Items excluded from cost-plus calculation
§ 20:42	Construction manager's compensation
IV. PA	AYMENT PROCEDURES
§ 20:43	Procedure for payments to construction manager
§ 20:44	Procedure for payments to architect
§ 20:45	—On abandonment of project by owner
§ 20:46	Procedure for payments to contractor
§ 20:47	Procedure for payments to contractor—Monthly
3 = 0.1.	installments
§ 20:48	Procedure for payments to contractor—Monthly installments—Retainage
§ 20:49	Procedure for payments to contractor—Monthly installments—Request for payment
§ 20:50	Procedure for payments by owner to subcontractors
§ 20:51	Procedure for payments for unit-pricing contract
§ 20:52	—Final payment
§ 20:53	Procedure for escrow account between buyer and contractor
§ 20:54	Procedure for final payment for residential construction

§ 20:55	Procedure for final payment for retail construction
§ 20:56	Procedure for final acceptance of construction project
§ 20:57	Final payment by owner is waiver of claims

V. PROGRESS PAYMENTS

§ 20:58	Form drafting guide
§ 20:59	Monthly preconstruction fee
§ 20:60	Biweekly payments to contractor
§ 20:61	Monthly payments to contractor
§ 20:62	—Subject to additions and deductions
§ 20:63	—Owner's construction escrow
§ 20:64	Progress payment schedule
§ 20:65	—Construction of residence
§ 20:66	—Construction of golf course
§ 20:67	Progress payments—Contractor to hold in trust for payment of labor and materials
§ 20:68	—Calculation method
§ 20:69	Monthly progress payments from contractor to subcontractor
§ 20:70	Progress payments are not acceptance of work
§ 20:71	Contractor to provide progress photographs
§ 20:72	Progress payments not evidence of performance or

VI. RETAINAGE

§ 20:73	Retainage of amount due to contractor
§ 20:74	—Until specified percentage of project complete
§ 20:75	——Subject to engineer's approval of work performed
§ 20:76	—Paid into escrow account
§ 20:77	Retainage of unpaid balance equal to cost of completion
§ 20:78	Conditions for payment of retainage to contractor
§ 20:79	Percentage withheld by contractor until final payment to subcontractor
§ 20:80	Failure to withhold percentage from subcontractor does not release surety

CHAPTER 21. INDEMNITY AND INSURANCE; BONDS; WAIVER OF LIENS

I. INDEMNIFICATION FOR INJURIES AND PROPERTY DAMAGE

§ 21:1 Architect to indemnify owner and lender

§ 21:2	Contractor to indemnify owner
§ 21:3	—Including injury to employees
§ 21:4	— —Workers' compensation claims
§ 21:5	Except for consequential damages
§ 21:6	Owner, contractor, subcontractors and affiliates to release each other from liability for consequential damages
§ 21:7	Contractor to indemnify governmental entity
§ 21:8	—Except for negligence or willful misconduct
§ 21:9	Construction manager to indemnify governmental entity
§ 21:10	Contractor to indemnify subcontractor for liability to third parties
§ 21:11	Contractor to indemnify subcontractor for liability arising from use of equipment
§ 21:12	Subcontractor to indemnify contractor and owner
§ 21:13	Reciprocal indemnification between contractor and subcontractor
§ 21:14	Subcontractor to obtain indemnification of contractor from subordinates
§ 21:15	Indemnification between construction manager, owner and other contractors
§ 21:16	Environmental indemnification between client and contractor
§ 21:17	Subcontractor and contractor to indemnify each other for consequential losses
§ 21:18	Owner and contractor to seek to extend to each other and subcontractors indemnities and releases in other contracts
§ 21:19	Owner to seek that other holders of beneficial interests in the project should waive certain rights against contractor

II. INDEMNIFICATION FOR LIENS AND ENCUMBRANCES § 21:20 Contractor to keep property free of liens

§ 21:20	Contractor to keep property free of liens
§ 21:21	Contractor to indemnify owner against claims and liens
§ 21:22	Subcontractor to indemnify contractor against liens
§ 21:23	Subcontractor to indemnify contractor against patent and intellectual property claims
§ 21:24	Owner to indemnify contractor for breach of warranty of title
§ 21:25	Owner to indemnify contractor and subcontractors for sales tax

§ 2	21:26	Subcontractor to satisfy liens and encumbrances
§ 2	21:27	Subcontractor to indemnify contractor for taxes
II	T TN	NSURANCE REQUIREMENTS
		•
-	21:28	Form drafting guide
-	21:29	Contractor to maintain insurance coverage
-	21:30	Contractor to maintain automobile liability insurance
-	21:31	Contractor to maintain fire insurance
-	21:32	Contractor to insure against specified claims
	21:33	Owner to maintain fire insurance
	21:34	—On contractor's request
§ 2	1:35	Owner's assumption of risks covered by builder's risk insurance
§ 2	21:36	Owner to acquire wrap-up policy (OCIP)
§ 2	21:37	—Builder's risk insurance
§ 2	21:38	—Effect on other insurance
§ 2	21:39	Subcontractor to maintain fire insurance
§ 2	21:40	Subcontractor to comply with workers' compensation law
	1:41	Subcontractor to maintain comprehensive insurance
§ 2	1:42	—Remedies for nonprocurement
§ 2	21:43	—Owner to insure structure
§ 2	1:44	Construction manager to maintain builder's risk insurance
§ 2	1:45	Waiver of subrogated claims by owner and construction manager
§ 2	1:46	Contractor and subcontractor to name each other as additional insureds on liability policies
IV	B	OND REQUIREMENTS
§ 2	1:47	Contractor to maintain performance and payment bonds
§ 2	1:48	Contractor to substitute adequate performance bond
§ 2	21:49	Contractor to grant mortgage in lieu of performance and payment bonds and retainage
§ 2	1:50	Contractor's assignment to protect bond surety
§ 2	1:51	Subcontractor to provide performance bond
§ 2	1:52	Subcontractor to provide payment and performance
		bonds
V.	WA	AIVERS OF LIENS AND CLAIMS
§ 2	1:53	Form drafting guide
	1:54	Contractor's waiver of liens
	1:55	—Agreement not to file liens

§ 21:56	Contractor to provide waivers of liens from subcontractors and materialmen
§ 21:57	Subcontractor's waiver of lien
§ 21:58	Partial waiver of lien required before progress payment
§ 21:59	Subcontractor's conditional waiver of liens for progress payment
§ 21:60	Subcontractor's unconditional waiver of liens for progress payment
§ 21:61	Waiver of lien required before final payment
§ 21:62	Subcontractor's conditional waiver of lien for final payment
§ 21:63	Subcontractor's unconditional waiver of lien for final payment
§ 21:64	Limitation on owner's waiver of claims against architect

VI. LIMITATION OF LIABILITY

§ 21:65	Form drafting guide
§ 21:66	Limitation of architect's liability to contractors and suppliers
§ 21:67	Limitation of contractor's liability to owner
§ 21:68	—Design and engineering services
§ 21:69	Limitation of contractor's, subcontractors', agents' or employees' liability to owner, successors and assignees
§ 21:70	Exceptions to liability limitation
§ 21:71	Waivers and disclaimers of liability to apply even in the even to fault on the part of the party benefiting therefrom
§ 21:72	Parties to be entitled only to remedies contained within the agreement

CHAPTER 22. COMPLIANCE WITH LAWS; SAFETY; INSPECTIONS; SECURITY

I. COMPLIANCE WITH LAWS

§ 22:1	Contractor to comply with laws and regulations— Notice of variance to architect
§ 22:2	—Notice of variance to owner
§ 22:3	Contractor to comply with prevailing wage requirements
§ 22:4	Contractor to comply with non-discrimination laws
§ 22:5	Equal employment opportunity and affirmative action

- § 22:6 Restriction on political contributions
- § 22:7 Warranty for engineering services
- § 22:8 Warranty for architectural services

II. COMPLIANCE WITH SAFETY AND ENVIRONMENTAL REGULATIONS

- § 22:9 Contractor to maintain clean construction site
- § 22:10 —Owner's remedies
- § 22:11 Contractor to maintain safe worksite
- § 22:12 —Alcohol and drugs prohibited
- § 22:13 —Exclusion of public
- § 22:14 —Warning signals and barricades
- § 22:15 —Provide safety equipment
- § 22:16 —Flammable materials
- § 22:17 —Observe industry standards
- § 22:18 —Conduct inspections
- § 22:19 Contractor to supply clean drinking water
- § 22:20 Minimum standards for construction of scaffolds, platforms, ramps, and runways
- § 22:21 Contractor to protect adjoining property during construction work
- § 22:22 Contractor to comply with hazardous waste disposal laws
- § 22:23 Contractor to supply personal protective equipment for hazardous waste
- § 22:24 Procedure for handling hazardous waste and unsuitable soil
- § 22:25 Procedure for handling unsafe materials
- § 22:26 Subcontractor to comply with safety regulations
- § 22:27 —Reports to safety agencies

III. SITE INSPECTIONS

- § 22:28 Duties of site inspectors
- § 22:29 Architect to inspect site to verify progress
- § 22:30 Engineer to inspect and supervise work
- § 22:31 Construction manager to inspect site prior to commencement of construction phase
- § 22:32 Contractor to maintain quality assurance program
- § 22:33 Contractor to maintain safe facilities for inspection of work
- § 22:34 Subcontractor to maintain safe facilities for inspections
- § 22:35 —Material vouchers
- § 22:36 Owner's inspection and audit of work by construction manager

Construction and Development Forms

§ 22:37	Owner's observation of inspection, testing or approval
§ 22:38	Owner's request to contractor to uncover work for
	inspection and correction
§ 22:39	Inspection of welding
§ 22:40	Inspection of residence and preparation of move-in checklist

IV. SECURITY OF SITE

- § 22:41 Observance of security regulations at site
- § 22:42 Contractor's badges and passes
- § 22:43 Employment of guard
- § 22:44 Keys to residential premises

V. INCOMPETENCE OR ILLEGAL CONDUCT

- § 22:45 Architect may demand removal of contractor's employee
- § 22:46 Contractor to prevent unlawful or improper conduct by employees
- § 22:47 Owner to report employee incompetence to contractor

CHAPTER 23. PERMITS, LICENSES, PATENTS, AND TRADE SECRETS

I. DUTIES OF CONTRACTORS AND SUBCONTRACTORS

- § 23:1 Contractor or owner to obtain building permit § 23:2 Contractor to pay royalties and license fees for patents
- § 23:3 —Indemnification of owner
- § 23:4 Contractor to defend and indemnify owner against patent claims
- § 23:5 Construction manager to obtain permits and licenses
- § 23:6 Construction manager to receive bids from contractors
- § 23:7 Subcontractor to obtain permits and licenses
- § 23:8 Subcontractor to pay royalties and license fees for patents

II. CONFIDENTIALITY AND PROTECTION OF TRADE SECRETS

- § 23:9 Nondisclosure and publicity
 § 23:10 Confidentiality of drawings and specifications
 § 23:11 Confidentiality of information and trade secrets
- § 23:12 Confidentiality of jobber's lists

§ 23:13	Confidentiality of proprietary information
§ 23:14	Confidentiality of unit design details
§ 23:15	Treatment of Confidential Information
§ 23:16	Restrictions on Use and Disclosure of Confidential Information
§ 23:17	Disclosures of Confidential Information
§ 23:18	Exceptions to Prohibition Against Disclosure of Confidential Information upon Request
§ 23:19	Return or Destruction of Confidential Information
§ 23:20	Inventions and improvements to become property of owner
§ 23:21	Ownership of Work Product
§ 23:22	Ownership of Intellectual Property

CHAPTER 24. SUBCONTRACTS

I. SUBCONTRACT RIGHTS

§ 24:1	Contractor to have subcontract rights
§ 24:2	Construction manager to recruit subcontractors, procure supplies
§ 24:3	Contractor to have subcontract rights—Competitive bidding
§ 24:4	—Subject to approval of owner
§ 24:5	— — Duties of subcontractors and sub-subcontractors
§ 24:6	—Subject to architect's approval
§ 24:7	Subrogation and assignment of contractor's subcontract rights to owner
§ 24:8	Construction manager to have trade contract rights
§ 24:9	Owner to retain subcontract rights
§ 24:10	Subcontractor to have sub-subcontract rights
§ 24:11	—Subject to approval of contractor
§ 24:12	Contractor to protect subcontractor's rights
§ 24:13	Procedure for notice by contractor to subcontractor
§ 24:14	Statute of limitations for actions by subcontractor

II. PRIME CONTRACT OBLIGATIONS OF SUBCONTRACTORS

§ 24:15	Conduit clause for obligations of subcontractor
§ 24:16	Subcontract incorporates contract documents
§ 24:17	—Subcontractor to give notice of conflicts
§ 24:18	Priority of contract documents—Subcontractor to give notice of conflicts
§ 24:19	Acknowledgment of mutuality of contract documents
8 24.20	Bid form and location and deadline for submission

III. SUBCONTRACT OBLIGATIONS OF SUBCONTRACTORS

§ 24:21	Subcontractor's obligations to architect, owner and contractor
§ 24:22	Subcontractor's investigation of prime contract
\$ 24:23	Subcontractor's representations of qualifications
\$ 24:24	Subcontractor to comply with project schedule
\$ 24:25	—Start and finish of the work
\$ 24:26	—Extension of time for completion
\$ 24:27	—Delay
\$ 24:28	—Failure to prosecute work
§ 24:29	Subcontractor's liability to contractor for late completion
§ 24:30	Subcontractor to work overtime
\$ 24:31	Subcontractor to provide periodic reports
§ 24:32	Subcontractor to report discrepancies in work to contractor
§ 24:33	Subcontractor to coordinate work with other trades
§ 24:34	Subcontractor to promote harmony at site
$\S 24:35$	—Coordination with other subcontractors
§ 24:36	Subcontractor's communication with contractor and others—Duty to provide additional information
§ 24:37	—Duty to inform contractor of code and regulation violations
§ 24:38	—Duty to cooperate with contractor and others
§ 24:39	Subcontractor to remove unfit employees
§ 24:40	Subcontractor to furnish new equipment and materials
\$24:41	Subcontractor's use of contractor's equipment
§ 24:42	Subcontractor's use of materials furnished by contractor
§ 24:43	Subcontractor to pay promptly for labor and materials
§ 24:44	Subcontractor to pay promptly for royalties, permits and fees
§ 24:45	Subcontractor to provide access to books and records
§ 24:46	Geofencing location technology for workers on site
§ 24:47	Subcontractor to provide copies of invoices and payroll
§ 24:48	Subcontractor to remove utilities at demolition site
§ 24:49	Subcontractor's duty to fit work into larger project
§ 24:50	Subcontractor's work subject to inspection
§ 24:51	Subcontractor's duty to remove condemned work
\$ 24:52	Subcontractor's duty to remove rubbish
§ 24:53	Subcontractor's duty to defend patents

TABLE OF CONTENTS

IMBLE OF	OUVIEWID
§ 24:54	Fieldwork order for subcontractor
§ 24:55	Limitations on advertisement signs
§ 24:56	Assignment by subcontractor with consent of contractor
IV. P	AYMENTS TO SUBCONTRACTORS
§ 24:57	Contractor to pay fixed fee for subcontract
§ 24:58	Price to be paid to subcontractor
§ 24:59	Maximum price for subcontract with sharing of cost savings
§ 24:60	Monthly payments to subcontractor for estimated work
§ 24:61	Increase in subcontractor's compensation for changes
§ 24:62	Reimbursement of subcontractor for overtime costs
§ 24:63	Contractor to pay subcontractor unless owner's nonpayment is subcontractor's fault
§ 24:64	Contractor to pay subcontractor only when owner pays contractor
§ 24:65	Owner to pay subcontractors directly
§ 24:66	Conditions for payments to subcontractor
§ 24:67	Conditions for final payment to subcontractor
§ 24:68	—Certificate of payment
§ 24:69	—Waiver of claims
V. TE	ERMINATION OF SUBCONTRACTS
§ 24:70	Termination for subcontractor's default or bankruptcy
§ 24:71	Termination for subcontractor's failure in performance
§ 24:72	Termination for subcontractor's delay or improper performance
§ 24:73	Termination for suspension of work by owner
§ 24:74	Termination for subcontractor's failure to pay for materials or labor
§ 24:75	Termination by contractor may in event of strike
§ 24:76	Termination by subcontractor on contractor's default
CHAI	PTER 25. REPRESENTATIONS AND
WARI	RANTIES

I. BY CONTRACTORS

- $\S~25:1$ General representations of contractor
- § 25:2 Contractor to deliver guarantee of material and workmanship

§ 25:3	Guarantee covering different time periods for different work items
§ 25:4	Guarantee of materials and workmanship by contractor and subcontractor
§ 25:5	Warranty for materials, equipment, and workmanship
§ 25:6	Performance tests for solar energy plant
§ 25:7	Performance guarantee for solar energy plant— Substantial completion
§ 25:8	—Annual generation
§ 25:9	Performance certification procedures for solar energy plant
$\S 25:10$	General warranty for construction
§ 25:11	Representations and guarantees as to workers and suppliers
§ 25:12	—By contractor or subcontractor
§ 25:13	Warranty for construction of manufacturing facility
§ 25:14	Limited warranty for residential construction
§ 25:15	—Cost of reasonable repairs
§ 25:16	Waiver of implied warranty of habitability for residential construction
§ 25:17	Waiver of responsibility for ultimate performance rating for sustainable project
§ 25:18	Waiver by designer or architect of responsibility for ultimate performance for sustainable project
§ 25:19	Waiver by contractor of responsibility for ultimate performance for sustainable project
§ 25:20	Survey of building lines and easements
§ 25:21	Warranty that structure within boundary lines of property
§ 25:22	Floor in good repair
§ 25:23	Roof in good repair
$\S 25:24$	Sufficiency of heating and air conditioning equipment
§ 25:25	No performance guarantee for hazardous material removal
§ 25:26	No bribes, kickbacks or rebates
$\S 25:27$	No bribery record
§ 25:28	Air pollution emissions warranty

II. BY OWNERS

- § 25:29 Representations for financing project
- § 25:30 Warranty of title to land

III. BY SUBCONTRACTORS OR THIRD PARTIES

§ 25:31 Subcontractor's one-year guarantee of workmanship

§ 25:32	—Contractor's remedies
§ 25:33	Subcontractor and third-party guarantees to be made or assigned to owner
§ 25:34	Subcontractor's representations as to plans and specifications, site, and conditions
§ 25:35	Subcontractor's warranties as to experience and employees
§ 25:36 § 25:37	Third-party guarantees to be made to owner Third-party guarantees to be assigned to owner
8 20.01	Tilliu-party guarantees to be assigned to owner

IV. BY ARCHITECTS AND CONSTRUCTION MANAGERS

§ 25:38	Representations as to financial and professional
	ability
§ 25:39	Architect's representations regarding fast-track
0	construction project
§ 25:40	Architect's duties and representations of superior
Ü	knowledge and skill
§ 25:41	Construction manager's representations to owner
8 25.42	Assignment of construction management agreemen

V. BY PARTIES TO GOVERNMENTAL CONTRACTS

§ 25:43	Conflicts Disclosure Statement—Business relationship
§ 25:44	1
§ 25:45	—Familial relationship
§ 25:46	Disclosure of Interested Parties

CHAPTER 26. ALTERNATIVE DISPUTE RESOLUTION

I. ALTERNATIVE DISPUTE RESOLUTION

§ 26:1	Form drafting guide
§ 26:2	Commitment to alternative dispute resolution
§ 26:3	Negotiation—Correspondence followed by meeting
§ 26:4	—Meeting between senior executives
§ 26:5	— —Followed by arbitration
§ 26:6	—Meeting between project managers with resort to
	senior executives
§ 26:7	—Followed by arbitration
§ 26:8	Performance to be continued during negotiation or arbitration
§ 26:9	Payment and performance to continue during dispute resolution

Construction and Development Forms

§ 26:10	Mediation
§ 26:11	Mediation after negotiation
§ 26:12	Mediation of existing dispute
§ 26:13	Confidentiality of mediation
§ 26:14	—Statements not admissable as evidence
§ 26:15	Mediation followed by arbitration
§ 26:16	Meditation followed by arbitration—Construction industry rules
§ 26:17	Mediation followed by arbitration or mini-trial
§ 26:18	Mini-trial
II. AR	BITRATION
§ 26:19	Form drafting guide
§ 26:20	Arbitration of disputes
§ 26:21	—Seller and purchaser
§ 26:22	Arbitration of disputes as to contractor's performance
§ 26:23	Arbitration between architect and owner
§ 26:24	Arbitration between construction manager and owner
§ 26:25	Arbitration between contractor and owner
§ 26:26	—At sole election of owner
§ 26:27	—Applicable law and procedures
§ 26:28	Arbitration between contractor and subcontractor
§ 26:29	Emergency arbitration
§ 26:30	Quick decision arbitration
	Volume 3

PART IV. CONTRACTING FOR CONSTRUCTION AND DEVELOPMENT SERVICES: COMPLETE AGREEMENTS

CHAPTER 27. AGREEMENTS WITH CONSTRUCTION MANAGERS

I. GENERAL AGREEMENTS

$\S 27:1$	Checklist—Construction management services
$\S 27:2$	Agreement between consultant and developer—
	Acquisition, financing and development
§ 27:3	Agreement between consultant and owner—
	Acquisition, financing and development

§ 27:4	Agreement between developer and owner—Design and construction
§ 27:5	Subagreement between contractor and consultant for program management services
§ 27:6	Agreement and general conditions between owner and construction manager—Guaranteed maximum price with option for preconstruction services—ConsensusDocs Form 500
§ 27:7	—Amendment to ConsensusDocs Form 500
§ 27:8	—Cost of work with option for preconstruction services—ConsensusDocs Form 510
§ 27:9	Agreement between owner and trade contractor— ConsensusDocs form 850
§ 27:10	Owner and construction manager as agent agreement—ConsensusDocs Form 831
§ 27:11	—Construction manager provides general conditions—ConsensusDocs Form 830
§ 27:12	Standard agreement and general conditions between owner and constructor (Cost of Work Plus Fee with GMP)—ConsensusDocs Form 230
§ 27:13	Construction manager's pending change request
§ 27:14	Change order—Construction manager fee adjustment—ConsensusDocs Form 525
§ 27:15	Addendum to agreements between owner and construction manager and between owner and design professional for design-assist services—Consensusdocs Form 541
§ 27:16	Agreement between owner and commissioning authority—ConsensusDocs form 820
§ 27:17	Electronic communications protocol addendum— ConsensusDocs Form 200.2

II. SPECIFIC PROJECTS

§ 27:18	Apartment project
§ 27:19	Condominium project for construction lender
§ 27:20	Condominium project for owner
§ 27:21	Renovation and conversion into condominium project
§ 27:22	Office building project
§ 27:23	—Acquisition, design, and construction
§ 27:24	—Coordination with architect
§ 27:25	—Transfer of development rights and zoning
§ 27:26	Public university construction project
§ 27:27	Request for proposal—Construction manager
§ 27:28	School district construction project
8 27.29	School district renovation project

§ 27:30 Residential construction supervisor
 § 27:31 Residential subdivision—Design, construction, and marketing
 § 27:32 —Development, construction and sale
 § 27:33 On-call construction engineering services for highway improvements

CHAPTER 28. AGREEMENTS WITH CONTRACTORS

I. GENERAL AGREEMENTS

- § 28:1 Checklist—Drafting construction contracts
- § 28:2 Fixed fee contract
- § 28:3 —Payments subject to architect's approval
- § 28:4 Cost plus fee construction agreement
- § 28:5 Short-form agreement between owner and contractor (lump sum)—ConsensusDocs form 205
- § 28:6 Master agreement between owner and contractor where work is provided under multiple work orders
- § 28:7 Agreement and general conditions between owner and contractor (lump sum)—ConsensusDocs form 200
- § 28:8 —Amendment 1—Potentially time and price-impacted materials—ConsensusDocs form 200.1
- § 28:9 Guaranteed maximum price contract—Small project
- § 28:10 —Large project
- § 28:11 Short-form agreement between owner and contractor (cost of work)—ConsensusDocs form 235

II. SPECIFIC PROJECT AGREEMENTS

- § 28:12 Repair contract—Windstorm damage
- § 28:13 Fire restoration and building addition contract
- § 28:14 Retail store furniture, fixtures and equipment ("FFE") contract—Fixtures to be furnished by owner and installed by contractor ("FOIC")
- § 28:15 Agreement between owner and contractor— Cogeneration system
- § 28:16 Lease of construction equipment
- § 28:17 —Amendment
- § 28:18 Equipment lease—ConsensusDocs form 907

III. CHANGE ORDERS AND PAYMENTS

§ 28:19 Request for information—ConsensusDocs form 204

Change order—ConsensusDocs form 202 § 28:20 § 28:21 Interim directed change—ConsensusDocs form 203 § 28:22 Application for payment—Guaranteed maximum price—ConsensusDocs form 291 § 28:23 —Lump sum—ConsensusDocs form 292 § 28:24 —Schedule of values—ConsensusDocs form 293

IV. PROJECT COMPLETION

- § 28:25 Contractor's release and waiver of claims
- § 28:26 -Against federal government
- Certificate of substantial completion—ConsensusDocs § 28:27 form 280
- § 28:28 Certificate of final completion—ConsensusDocs form 281

V. MISCELLANEOUS AGREEMENTS

- § 28:29 Independent contractor agreement
- § 28:30 —Refined products distribution truck rack terminal
- § 28:31 Contractor's qualification statement for engineered construction—ConsensusDocs form 220
- § 28:32 Contractor's qualification statement for specific project—ConsensusDocs form 221
- § 28:33 Guidelines for obtaining owner financial information—ConsensusDocs form 290
- Owner financial questionnaire—ConsensusDocs form § 28:34 290.1
- § 28:35 Standard operation and maintenance agreement— ConsensusDocs Form 910
- Agreement between owner and contractor—Support § 28:36
- § 28:37 Trust account agreement for retainage

CHAPTER 29. AGREEMENTS WITH CONTRACTORS: DEMOLITION AND SITE **PREPARATION**

I. DEMOLITION

- § 29:1 Demolition of house
- § 29:2 Demolition of improvements
- § 29:3 —Flat fee
- § 29:4 —Excepting specified structures
- § 29:5 —Retention of broken slabs
- § 29:6 Demolition of improvements and construction of office building

II. SITE PREPARATION

§ 29:7	Purchase of fill and grading
§ 29:8	Removal of fill and grading
§ 29:9	Grading and landscaping
§ 29:10	Railroad grading
§ 29:11	Clearing land and constructing roads, canals and drainage ditches
§ 29:12	Moving house
§ 29:13	Bid for moving building
§ 29:14	Contract for sale of vacant lot—Seller to complete sewer system

CHAPTER 30. AGREEMENTS WITH CONTRACTORS: DESIGN-BUILD AND TURNKEY PROJECTS

I. GENERAL AGREEMENTS

§	30:1	Form drafting guide
§	30:2	Preliminary agreement between owner and designer-builder—ConsensusDocs Form 400
§	30:3	Design-build agreement
§	30:4	Agreement and general conditions between owner and design-builder—Cost of work plus fee with guaranteed maximum price—ConsensusDocs Form 410
§	30:5	—Amendment to ConsensusDocs Form 410
§	30:6	—Lump sum based on owner's program— ConsensusDocs Form 415
§	30:7	Agreement between design-builder and architect/engineer—Design-builder assumes risk of owner payment—ConsensusDocs Form 420
§	30:8	Agreement between design-builder and subcontractor—Design-builder assumes risk of owner payment—ConsensusDocs Form 450
§	30:9	Agreement between design-builder and design-build subcontractor—Subcontractor provides guaranteed maximum price and design-builder assumes risk of owner payment—ConsensusDocs Form 460
§	30:10	Agreement between design-builder and subcontractor—Subcontractor provides design elements and GMP—ConsensusDocs Form 460.1
§	30:11	Teaming agreement for design-build project— ConsensusDocs Form 498

II. SPECIFIC PROJECT AGREEMENTS

§ 30:12 Turnkey industrial project—Flat fee—Adjustment for increased capacity
 § 30:13 — Specialized manufacturing facility
 § 30:14 Turnkey warehouses—Multiple distribution center facilities
 § 30:15 Turnkey retail project—Chain restaurant
 § 30:16 Turnkey desalination project agreement
 § 30:17 Amendment to turnkey engineering and procurement contract

Volume 4

§ 30:18 Design-build contract—Desalination system § 30:19 Fixed price construction agreement—business park § 30:20 EPC contract for ethanol refinery—Air pollution control amendments EPIC contract for offshore marine project— § 30:21 Submerged oil and gas export pipelines § 30:22 EPC agreement for over-ground pipeline § 30:23 Turnkey drilling and completion agreement for oil wells § 30:24 EPC agreement for solar photovoltaic power plant § 30:25 Turnkey engineering, procurement and construction agreement for power plant § 30:26 Construction agreement for multiple vessels with option for additional vessels § 30:27 EPC agreement with city for public works project Agreement between owner and design-builder for a § 30:28 one or two family residential project § 30:29 Design and construction agreement—Landfill

III. MISCELLANEOUS AGREEMENTS

§ 30:30 Design-builder's statement of qualifications for specific project—ConsensusDocs Form 421 Design-build performance bond—Surety liable for § 30:31 design costs—ConsensusDocs Form 470 § 30:32 —Surety not liable for design services— ConsensusDocs Form 471 § 30:33 Design-build payment bond—Surety liable for design costs—ConsensusDocs Form 472 § 30:34 —Surety not liable for design services— ConsensusDocs Form 473 § 30:35 Design-build change order—Cost of work with

	guaranteed maximum price—ConsensusDocs Form 495
§ 30:36	—Lump sum—ConsensusDocs Form 496
§ 30:37	Design-builder's application for payment—Cost of
	work with guaranteed maximum price— ConsensusDocs Form 491
§ 30:38	—Lump sum—ConsensusDocs Form 492
§ 30:39	Certificate of substantial completion for design-build project—ConsensusDocs Form 481
§ 30:40	Certificate of final completion for design-build project—ConsensusDocs Form 482
CHAP	TER 31. AGREEMENTS WITH
	RACTORS: GOVERNMENT PROJECTS
§ 31:1	Nondiscrimination contract
§ 31:2	County bridge construction
§ 31:3	Subway entrance for highrise development
§ 31:4	Roadway resurfacing agreement
§ 31:5	Emergency roofing and repairs contract
§ 31:6	—Certifications
§ 31:7	Water treatment facility contract
§ 31:8	Bridges, docks and boat ramps contract
§ 31:9	EPIC contract for power generation, water cooling and air conditioning facility on multi-building campus—Renewable energy technology
§ 31:10	Agreement and general conditions between owner
	and constructor for public works project— ConsensusDocs Form 210
§ 31:11	Agreement and general conditions between design- builder and design professional for federal projects—
	ConsensusDocs Form 422
§ 31:12	Standard public-private partnership (p3) agreement and general conditions—ConsensusDocs Form 900
	TER 32. AGREEMENTS WITH

CHAPTER 32. AGREEMENTS WITH CONTRACTORS: RESIDENTIAL CONSTRUCTION § 32:1 Condominium anartment project

§ 32:1	Condominium apartment project
§ 32:2	—Contract rider
§ 32:3	House contract
§ 32:4	Custom house contract
§ 32:5	—Without construction loan
§ 32:6	New residential contract with builder's and mechanic's lien

§ 32:7	Residential custom finish contract
§ 32:8	Lot purchase and construction of model home
§ 32:9	—Return of deposit for failure to obtain mortgage
§ 32:10	Home improvements contract
§ 32:11	—Owner to secure approvals
§ 32:12	—Energy tax credits
§ 32:13	—Kitchen remodeling, door and window replacement and deck and gazebo addition
§ 32:14	Housing association—Purchase and construction
§ 32:15	Subdivision contract—Model houses
§ 32:16	—Houses for lot purchasers
§ 32:17	Fencing contract for townhome association

CHAPTER 33. AGREEMENTS WITH SUBCONTRACTORS

I. GENERAL AGREEMENTS

§ 33:1	Subcontract
§ 33:2	—Alternative provisions
§ 33:3	—Residential construction—General conditions
§ 33:4	—Subcontractor to give notice of hazardous materials
§ 33:5	—Subcontractor to protect interest of construction lender
§ 33:6	—Subcontractor to indemnify contractor and owner
§ 33:7	—Detailed obligations of subcontractor
§ 33:8	—Detailed waiver of liens
§ 33:9	—Work subject to approval of architect and engineer
§ 33:10	Standard master subcontractor agreement— ConsensusDocs Form 755
§ 33:11	Standard project work order—ConsensusDocs Form 756
§ 33:12	Short form agreement between contractor and subcontractor—Contractor assumes risk of owner payment—ConsensusDocs Form 751
§ 33:13	Agreement between contractor and subcontractor— Contractor assumes risk of owner payment— ConsensusDocs Form 750
§ 33:14	Rider between contractor and subcontractor for material storage at subcontractor's site— ConsensusDocs Form 750.1
§ 33:15	Subcontract agreement for federal government construction projects—ConsensusDocs Form 752
§ 33:16	Agreement between owner and subcontractor
§ 33:17	Agreement between subcontractor and subsubcontractor—ConsensusDocs Form 725

II. SPECIFIC PROJECT AGREEMENTS

§ 33:18	Subcontract—Residential construction
§ 33:19	—Demolition work
§ 33:20	—Electrical work
§ 33:21	—Erection of manufactured steel warehouse
§ 33:22	—Erection and installation of steel building components
§ 33:23	—Installation of emergency generation system
§ 33:24	—Heating, ventilation and air conditioning system— Military base
§ 33:25	—Foundation support system
§ 33:26	
§ 33:27	—Municipal asphalt paving work
§ 33:28	—Stucco work
§ 33:29	—Apartment partitions
§ 33:30	—Automatic fire sprinkler system
§ 33:31	—Shop drawing, procurement, fabrication, loadout and seafastening—Off-shore drilling platform

III. MISCELLANEOUS AGREEMENTS

§ 33:32	Subcontractor's statement of qualifications for specific
6 00 00	project—ConsensusDocs Form 721
§ 33:33	Purchase order for commodity goods—ConsensusDocs Form 702
§ 33:34	Standard purchase order for commodity goods— Terms and conditions—ConsensusDocs Form 702.1
§ 33:35	Purchase agreement for noncommodity goods— ConsensusDocs Form 703
§ 33:36	Contract to install and monitor burglar alarm system
§ 33:37	Contract to install garage floor coatings
§ 33:38	Subcontractor request for information— ConsensusDocs Form 790
§ 33:39	Subcontract change order—ConsensusDocs Form 795
§ 33:40	Trade contract change order—Construction manager acting as agent for owner—ConsensusDocs Form 813
§ 33:41	Subcontract interim directed change—ConsensusDocs Form 796
§ 33:42	Trade contract interim directed change—Construction manager acting as agent for owner—ConsensusDocs Form 812
§ 33:43	Subcontractor's application for payment— ConsensusDocs Form 710
§ 33:44	Certificate of substantial completion for subcontract work—ConsensusDocs Form 781

0 00 45	
§ 33:45	Certificate of substantial completion for trade
	contract work—Construction manager acting as
	agent for owner—ConsensusDocs Form 814
§ 33:46	Certificate of final completion for subcontract work—
	ConsensusDocs Form 782
§ 33:47	Certificate of final completion for trade contract
	work—Construction manager acting as agent for
	owner—ConsensusDocs Form 815
§ 33:48	Release of claims between contractor and
	subcontractor
§ 33:49	Agreement between team manager and team member
	for responding to a solicitation and pursuing a
	project

CHAPTER 34. AGREEMENTS WITH ARCHITECTS, CONSULTANTS, ENGINEERS AND SURVEYORS

I. SERVICES FOR PROJECTS

§ 34:1	Architectural services contract
§ 34:2	—Cost plus compensation
§ 34:3	—Fast-track construction
§ 34:4	Architectural services contract with alternative provisions
§ 34:5	Certification of plans by architect
§ 34:6	Contract for design and construction services
§ 34:7	Agreement between owner and consultant— ConsensusDocs Form 247
§ 34:8	Constructor and consultant agreement— ConsensusDocs Form 747
§ 34:9	Agreement between design professional and consultant—ConsensusDocs Form 250
§ 34:10	Design approval by governmental entity for construction plan
§ 34:11	Design services proposal
§ 34:12	—Interior design
§ 34:13	Design-build project—Architect/Engineer—Flat fee
§ 34:14	——Cost plus fee
§ 34:15	Design-build agreement between owner and engineer for power plant

Volume 5

 $\ \, \$\,\, 34:16 \quad \, \, \mbox{Agreement between owner and engineer for design of power plant}$

§	34:17	Agreement between owner and engineer for inspection services
8	34:18	Short form agreement between owner and
3	01.10	architect-engineer—ConsensusDocs Form 245
§	34:19	Agreement between owner and architect-engineer— ConsensusDocs Form 240
§	34:20	Standard agreement between owner and design professional (where owner hires or acts as its own CM)—ConsensusDocs Form 840
§	34:21	Standard agreement between owner and energy consultant—ConsensusDocs form 842
§	34:22	Agreement between owner and geotechnical consultant—ConsensusDocs Form 246
§	34:23	Constructor and geotechnical consultant agreement—ConsensusDocs Form 746
	34:24	Standard agreement between constructor and prefabricator—ConsensusDocs Form 753
§	34:25	Constructor and testing lab agreement— ConsensusDocs Form 748
	34:26	Agreement between constructor and laboratory for hazardous waste testing—ConsensusDocs Form 749
_	34:27	Architect's services: expansion of resort
	34:28	Architect's services: alteration to multiple public schools
§	34:29	Agreement between owner and land surveyor— ConsensusDocs Form 244
Ι	I. SP	ECIFIC PROJECT AGREEMENTS
§	34:30	Cruise ship terminal project—Agreement between owner and design professional
§	34:31	General consulting services agreement—Airport improvements
-	34:32	——Fee proposal
	34:33	Architectural services—Open air baseball sports facility
	34:34	Architectural services—Mixed use retail, office, apartment and parking garage development
_	34:35	Architectural consultant services—Renovation of public amenities
	34:36	Hotel project—Coordination agreement among owner, architect and engineers
	34:37	Landscaping project—Architect
§	34:38	Office and retail space—Architect—Systems-Communication-Action-Team (SCAT)
§	34:39	Government project—Design and construction of library

0 0 1 10	
§ 34:40	—Agreement for consulting services—Offshore
	stormwater outfall
0 0 1 1 1	
§ 34:41	—Engineer for preliminary work and construction
§ 34:42	—Engineering inspection services agreement
§ 34:43	Sewer facilities—Engineer for design and
	construction
§ 34:44	Subdivision master plan—Engineering firm
§ 34:45	Engineering services—Improvements to waste-to-
	energy facility
§ 34:46	—Offshore oil platform
§ 34:47	Engineering and procurement services with licensing
Ü	agreement—Ethanol plant
§ 34:48	Construction engineering services agreement—
., 10	Highway inspection
	Tight, a, imposion

III. MISCELLANEOUS AGREEMENTS

§ 34:49	Architectural competition invitation
§ 34:50	Architectural preservation agreement
§ 34:51	Architect-engineer's statement of qualifications for
	specific project—ConsensusDocs Form 222

CHAPTER 35. ENVIRONMENTAL SERVICES AGREEMENTS

§ 35:1	Environmental services agreement
§ 35:2	Conditions for analytical services
§ 35:3	Conditions for asbestos survey
§ 35:4	Conditions for environmental survey
§ 35:5	Conditions for environmental survey—
	Recommendations
§ 35:6	Conditions for hazardous waste abatement
§ 35:7	Conditions for lead-based paint survey
§ 35:8	Conditions for tests and inspections
§ 35:9	Conditions for training activities
§ 35:10	Conditions for environmental services subcontract
§ 35:11	Asbestos abatement subcontract for demolition of public school
§ 35:12	Painting subcontract after removal of lead-based paint from public school

CHAPTER 36. DEVELOPMENT AGREEMENTS

§ 36:1	Building development rights transfer agreement
§ 36:2	Office building project—Transfer of development
	rights and zoning

§	36:3	Development, financing and management agreement for casino
§	36:4	—On tribal lands
§	36:5	Country club and golf course development
8	36:6	Municipal park and recreation facility
§	36:7	Agreement between municipality and nonprofit corporation for development of recreation facility—Provision—Research program to develop master plan for recreation facility
§	36:8	Agreement for development of community center— New Markets Tax Credit program
§	36:9	Residential subdivision—Design, construction and marketing
§	36:10	—Development, construction and sale
§	36:11	Municipal redevelopment agreement
§	36:12	Limited partnership agreement—Development of oil
		and gas and construction of extraction equipment
§	36:13	Operating agreement—Construction and operation of oil wells
§	36:14	Participant agreement—Drilling and construction and of prospect oil wells
§	36:15	Program management agreement and general conditions between owner and program manager—ConsensusDocs Form 800
§	36:16	Agreement between owner and owner's
		representative—ConsensusDocs Form 810
§	36:17	Tri-party collaborative agreement—ConsensusDocs Form 300
§	36:18	Standard joining agreement for integrated project delivery—ConsensusDocs form 396
§	36:19	Standard form multi-party agreement for integrated project delivery
§	36:20	Building information modeling (BIM) addendum— ConsensusDocs Form 301
§	36:21	Lean construction addendum—ConsensusDocs Form 305
§	36:22	Lean design-build addendum—ConsensusDocs Form 431
§	36:23	Green building addendum—ConsensusDocs Form 310
C	HAP	TER 37. CONSTRUCTION BIDS
_	37:1	Instructions to bidders
§	37:2	Instructions to bidders on private work—— ConsensusDocs Form 270
§	37:3	Instructions to bidders on public work— ConsensusDocs Form 271

§ 37:4	Alternative provisions for instructions to bidders—
	Partial bids
§ 37:5	—Specifications
§ 37:6	—Estimates of work
§ 37:7	—Inspection of plans
§ 37:8	Contractor's estimate sheet
§ 37:9	Invitation to bid/subbid proposal—ConsensusDocs Form 705
§ 37:10	Subcontractor's bid and acceptance of estimate
§ 37:11	Teaming agreement—ConsensusDocs Form 296
СНАР	TER 38. CONSTRUCTION BONDS
§ 38:1	Bid bond
§ 38:2	—ConsensusDocs Form 262
§ 38:3	—Subcontract—ConsensusDocs Form 760
§ 38:4	Performance bond
§ 38:5	—Surety to complete contract or obtain bids
§ 38:6	—ConsensusDocs Form 260
§ 38:7	Performance and payment bond of contractor
§ 38:8	Performance bond of subcontractor
§ 38:9	Performance bond—Subcontract—ConsensusDocs Form 706
§ 38:10	Labor and material payment bond
§ 38:11	—Includes claims for appliances, trucks and power
§ 38:12	—Includes claims for equipment rental, fuels and utilities
§ 38:13	Payment bond—ConsensusDocs Form 261
§ 38:14	—Subcontract—ConsensusDocs Form 707
§ 38:15	—Labor and materials
§ 38:16	One-year maintenance bond
§ 38:17	Warranty bond—ConsensusDocs Form 263

CHAPTER 39. ALTERNATIVE DISPUTE RESOLUTION AGREEMENTS

§ 38:18 Alternative bond provisions—Scope of conditions

§ 38:19 —Assignment of bond

§ 38:21 —Consent of surety § 38:22 —Construction of building

§ 38:20 —Claims prior to issuance of bond

§ 39:1	Arbitration agreement
§ 39:2	Mediation agreement
§ 39:3	Mini-trial agreement
§ 39:4	Dispute review board (DRB) addendum specification—
	ConsensusDocs Form 200.4

 $\ 39:5$ Three-party agreement for dispute review board (DRB)—ConsensusDocs Form 200.5

Index