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## **ARTICLE 1 - DEFINITIONS**

Wherever used in the Terminal Construction Standards the following terms shall be interpreted as set forth below.

Whenever used in the Terminal Construction Standards the following terms have the meaning indicated which are applicable to both the singular and plural thereof. Working titles which have a masculine gender, are intended to refer to persons of either sex.

Terms not defined below shall have their ordinary accepted meanings within the context which they are used. Words which have a well-known technical or trade meaning when used to describe work, materials or equipment shall be interpreted in accordance with such meaning

**Airport Building Permit** – A permit issued by ANC allowing a TENANT to accomplish construction within the terminal buildings. The Airport Building Permit consists of the Airport Building Permit Application Form, Terminal Construction Standards, Approved Waivers From Terminal Construction Standards, Special Conditions, Permit Modifications and the TENANT's Lease.

**Airport Building Permit Time** - The number of Calendar Days or the date specified in the construction Airport Building Permit and authorized time extensions which identify how much time the TENANT is allowed to achieve Final Completion.

**Airport Director** - The person authorized by the Commissioner to enter into and administer the Airport Building Permit on behalf of ANC. He has authority to make findings, determinations and decisions with respect to the Airport Building Permit and, when necessary, to modify or terminate the Airport Building Permit. The Airport Director may authorize persons to act on his behalf.

**ANC** - The Alaska Department of Transportation and Public Facilities, Ted Stevens Anchorage International Airport. References to "Owner", "State", "DEPARTMENT" mean ANC.

**Approved or Approval** - Written approval by the Airport Director or his authorized representative.

**A.S** - Initials which stand for Alaska Statute.

**Calendar Day** - Every day shown on the calendar, beginning and ending at midnight.

**Change Order** – A change in the TENANT's work issued after an Airport Building Permit has been issued.

**Common Area** – Area(s) within the terminal buildings not under lease.

**Concourses** – The public circulation zones that lead from the South Terminal to the airline's gates. There are three concourses, referred to as A, B, and C Concourses.

**Consultant** - The person, firm, or corporation retained directly by the TENANT to prepare Contract Documents, perform construction administration services, or other Project related services.

**Contract** - The written agreement between the TENANT and a Contractor setting forth the obligations of the parties and covering the Work to be performed.

**Contract Documents** – Drawings, specifications and other documents used to describe the work to be accomplished under an Airport Building Permit.

**Contractor** - The individual, firm, corporation or any acceptable combination thereof, contracting with the TENANT for performance of the Work.

**Defective** - An adjective which refers to Work that is unsatisfactory, faulty or deficient, or does not conform

to the Airport Building Permit, or does not meet the requirements of an inspection, reference standard, test or Approval referred to in the Airport Building Permit, or has been damaged prior to Final Acceptance.

**Directive** - A written communication to the TENANT from the Airport Director interpreting or enforcing an Airport Building Permit requirement.

**Drawings** - The Drawings which show the character and scope of the Work to be performed and which have been furnished by the TENANT or TENANT's Consultant and are by reference made a part of the Airport Building Permit.

**Demising Walls** – Walls that mark the lease lines between independent tenant-leased areas or other separately designed spaces, including public spaces, service corridors, etc.

**Final Acceptance** - ANC's written acceptance of the Work following Final Completion and the performance of all Airport Building Permit requirements by the TENANT.

**Final Completion** - The Project (or specified part thereof) has progressed to the point that all required Work is complete as determined by the Airport Director.

**Holidays** - In the State of Alaska, Legal Holidays occur on:

1. New Years Day - January 1
2. Martin Luther King's Birthday - Third Monday in January
3. President's Day - Third Monday in February
4. Seward's Day - Last Monday in March
5. Memorial Day - Last Monday in May
6. Independence Day - July 4
7. Labor Day - First Monday in September
8. Alaska Day - October 18
9. Veteran's Day - November 11
10. Thanksgiving Day - Fourth Thursday in November
11. Christmas Day - December 25
12. Every Sunday
13. Every day designated by public proclamation by the President of the United States or the Governor of the State as a legal Holiday.

If any Holiday listed above falls on a Saturday, Saturday and the preceding Friday are both legal Holidays. If the Holiday should fall on a Sunday, except (12) above, Sunday and the following Monday are both legal Holidays. See Title 44, Alaska Statutes.

**Install** - Means to build into the Work, ready to be used in complete and operable condition and in compliance with the Airport Building Permit.

**Lease** – A contract between the TENANT and ANC for the use of space or the performance of an operation within the terminal buildings.

**North Terminal** – The airport building used for domestic, international and charter flights located on T13N, R4W Sections 33 and 34.

**Payment Bond** - The security furnished by the TENANT and his Surety to guarantee payment of the debts covered by the bond.

**Performance Bond** - The security furnished by the TENANT and his Surety to guarantee performance and completion of the Work in accordance with the Airport Building Permit.

**Project** - The total construction, of which the Work is performed under the Airport Building Permit .

**Permission to proceed** - A written notice to the TENANT allowing him to begin the Work and establishing the date on which the Airport Building Permit Time begins.

**Regulatory Requirements** - Laws, rules, regulations, ordinances, codes and/or orders.

**Shop Drawings** - All drawings, diagrams, illustrations, schedules and other data which are specifically prepared by or for the TENANT to illustrate some portion of the Work and all illustrations, brochures, standard schedules, performance charts, instructions, diagrams and other information prepared by a Supplier and submitted by the TENANT to illustrate material, equipment, fabrication, or erection for some portion of the Work.

**Specifications** - Written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain administrative and procedural details applicable thereto.

**South Terminal** – The airport building for domestic flights and the hub of A, B and C Concourses. Located in T13N, R4W Section 34.

**Storefronts** – The architectural facades of any retail tenant-leased premise's perimeter adjacent to public circulation areas of the terminals, including doorways.

**Subcontractor** - An individual, firm, or corporation to whom the Contractor or any other Subcontractor sublets part of the Work allowed under the Airport Building Permit.

**Substantial Completion** - Although not fully completed, the Work (or a specified part thereof) has progressed to the point where, in the opinion of the Airport Director, as evidence by ANC's written notice, it is sufficiently complete, in accordance with the Airport Building Permit, so that the Work (or specified part) can be utilized for the purposes for which it is intended. The terms "Substantially Complete" and "Substantially Completed" as applied to any Work refer to Substantial Completion thereof.

**Superintendent** - The TENANT's representative at the site that has full authority to act and sign documents related to the Airport Building Permit on behalf of the TENANT.

**Supplementary Conditions** - The part of the Airport Building Permit which amends or supplements these General Conditions.

**Supplier** - A manufacturer, fabricator, distributor, materialman or vendor of materials or equipment.

**Surety** - The corporation, partnership, or individual, other than the TENANT, executing a bond furnished by the TENANT.

**Tenant** – A corporation, partnership, or individual who has a valid lease with ANC including all airline and food/retail concessionaires in the airport.

**Terminal Construction Standards** – A document that contains standards for all construction within the terminal buildings at ANC.

**Work** - Work is the act of, and the result of, performing services, furnishing labor, furnishing and incorporating materials and equipment into the Project and performing other duties and obligations, all as allowed by the Airport Building Permit. Such Work, however incremental, will culminate in the entire completed Project, or the various separately identifiable parts thereof.

## **ARTICLE 2 - AUTHORITIES AND LIMITATIONS**

### **2.1 Authorities and Limitations**

- 2.1.1 The Airport Director alone, shall have the power to bind ANC and to exercise the rights, responsibilities, authorities and functions vested in the Airport Director by the Airport Building Permit, except that the Airport Director shall have the right to designate in writing authorized representatives to act for him. Wherever any provision of the Airport Building Permit specifies an individual or organization, whether governmental or private, to perform any act on behalf of or in the interest of ANC, that individual or organization shall be deemed to be the Airport Director's authorized representative under this Airport Building Permit but only to the extent so specified. The Airport Director may, at any time during the performance of this Airport Building Permit, vest in any such authorized representatives additional power and authority to act for the Airport Director or designate additional representatives, specifying the extent of their authority to act for the Airport Director; a copy of each document vesting additional authority in or removing that authority from an authorized representative or designating an additional authorized representative shall be furnished to the TENANT.
- 2.1.2 The TENANT shall perform the Work in accordance with any written order (including but not limited to instruction, direction, interpretation or determination) issued by an authorized representative in accordance with the authorized representative's authority to act for the Airport Director. The TENANT assumes all the risk and consequences of performing the Work in accordance with any order (including but not limited to instruction, direction, interpretation or determination) of anyone not authorized to issue such order, and of any order not in writing.
- 2.1.3 Should the Airport Director or his authorized representative designate Consultant(s) to act for ANC as provided for in Paragraph 2.1.1, the performance or nonperformance of the Consultant under such authority to act, shall not give rise to any contractual obligation or duty of the Consultant to the TENANT, Contractor, any Subcontractor, any Supplier, or any other organization performing any of the Work or any Surety representing them.
- 2.1.4 The term "Airport Director" when used in the text of these Conditions or other Airport Building Permit following this section shall also mean any duly authorized representative of the Airport Director when authorized in accordance with Paragraph 2.1.1.

### **2.2 Evaluations by Airport Director:**

- 2.2.1 The Airport Director will decide all questions which may arise as to:
- a. Quality and acceptability of materials furnished;
  - b. Quality and acceptability of Work performed;
  - c. Compliance with the schedule of progress;
  - d. Interpretation of Airport Building Permit;
  - e. Acceptable fulfillment of the Airport Building Permit on the part of the TENANT.
- 2.2.2 In order to avoid cumbersome terms and confusing repetition of expressions in the Airport Building Permit the terms "as ordered", "as directed", "as required", "as approved" or terms of like effect or import are used, or the adjectives "reasonable", "suitable", "acceptable", "proper" or "satisfactory" or adjectives of like effect or import are used it shall be understood as if the expression were followed by the words "the Airport Director".

When such terms are used to describe a requirement, direction, review or judgment of the Airport

Director as to the Work, it is intended that such requirement, direction, review or judgment will be solely to evaluate the Work for compliance with the Airport Building Permit (unless there is a specific statement indicating otherwise).

- 2.2.3 The use of any such term or adjective shall not be effective to assign to ANC any duty of authority to supervise or direct the furnishing or performance of the Work.

**2.3 Means & Methods:**

The means, methods, techniques, sequences or procedures of construction, or safety precautions and the program incident thereto, and the failure to perform or furnish the Work in accordance with the Airport Building Permit are the sole responsibility of the TENANT.

**2.4 Visits to Site/Place of Business:**

The Airport Director will make visits to the site at intervals appropriate to the various stages of construction to observe the progress and quality of the executed Work and to determine, in general, if the Work is proceeding in accordance with the Airport Building Permit. The Airport Director may, at reasonable times, inspect that part of the plant or place of business of the TENANT, Contractor or Subcontractor that is related to the performance of the Airport Building Permit. Such observations or the lack of such observations shall in no way relieve the TENANT from his duty to perform the Work in accordance with the Airport Building Permit.

## **ARTICLE 3 - AIRPORT BUILDING PERMIT: REQUIREMENT AND PROCESS**

### **3.1 Scope and Requirement:**

All TENANT constructed projects on ANC are required by the TENANT's lease to have an Airport Building Permit.

### **3.2 Process**

There are five steps in the Airport Building Permit process: pre-application, application, pre-construction, construction and acceptance.

### **3.3 Pre-application:**

The TENANT should conduct a pre-application review with ANC at the beginning of any large or complex project. The intent of the pre-application review is to accelerate the design approval process by correcting standards compliance problems early in the design. A meeting with ANC staff is recommended early in the design to notify ANC staff of the upcoming project and to provide early input and coordination. The TENANT should provide preliminary contract documents for review. For ANC to provide an adequate review, the following items should be submitted:

- a. Floor plans (scale maximum 1/8" = 1'0")
- b. Sections (scale maximum 1/8" = 1'0")
- c. Storefront elevation and section, including signage (scale 1/4" = 1'0"). Food service tenants should include front counter details and food presentation concept.
- d. Perspective sketches illustrating the design concept or photographs of existing storefronts if related to this application.
- e. Design and construction schedule
- f. Waiver request form(s) if applicable

### **3.4 Application:**

After a pre-application review has been completed, the TENANT shall submit an Airport Building Permit Application. Incomplete Airport Building Permit Applications will not be processed. The submission of an Airport Building Permit Application by the TENANT is considered a representation that the TENANT has provided a complete set of Contract Documents and is satisfied as to the conditions to be encountered in performing the work. The Contract Documents submitted shall clearly and completely describe the work to be accomplished under the Airport Building Permit. Any Airport Building Permit approved on the basis of an incomplete or erroneous set of Contract Documents will be in default and ANC may require the TENANT to remove any work constructed under the Airport Building Permit at the TENANT's expense.

The TENANT shall submit the Airport Building Permit Application Form, Waiver From Terminal Construction Standards, Certification of Compliance to Terminal Construction Standards and a) nine sets of specifications, one full size plan set and eight half sized plan sets or b) two sets of specifications, one full size plan set, one half size plan set and a Compact Disc with all plans and specifications written on it in Adobe Acrobat pdf files.

The TENANT shall provide the following items when appropriate:

- a. Floor plans (scale maximum 1/4" = 1'0")
- b. Reflected ceiling plan (scale 1/4" = 1'0").
- c. Storefront plan, elevation, and section (1/2 = 1'0")
- d. Interior elevations (scale 1/4" = 1'0").
- e. Sections (scale 1/4" = 1'0").
- f. Details of special conditions (scale 1" = 1'-0").



- g. Finish schedules.
- h. Materials and finish samples.
- i. Waiver request form(s) if applicable
- j. Certification of Compliance to Terminal Construction Standards
- k. Sign Requirements including:
  - 1. sign and graphic dimensions
  - 2. shop drawings (scale minimum  $\frac{1}{2}$ " = 1'-0")
  - 3. method of illumination, number and type of fixtures
  - 4. colors and text or graphic symbols
  - 5. method of attachment to wall, ceiling or floor
  - 6. level of sign or graphic element brightness
  - 7. location drawings for the sign or graphic in plan and elevation (scale minimum  $\frac{3}{8}$ " = 1'-0")
  - 8. schedule for installation or removal
- m. Other items as requested by ANC.

ANC will review the Airport Building Permit Application and determine one of the following:

- a. The application is approved without additional conditions.
- b. The application is approved with conditions. In this case, a list of Special Provisions will be provided as part of the Airport Building Permit.
- c. The application will be returned to the TENANT for resubmission. A list of issues for the TENANT to correct will be provided by ANC.
- d. The application is disapproved.

### 3.5 Pre-construction:

TENANT is required to obtain a Permission to Proceed from ANC before actual construction can begin. ANC must receive from the TENANT all of the following items before a Permission to Proceed is issued:

- a. Municipality of Anchorage Building Permit(s)
- b. A complete set of the Contract Documents including one full sized and one half sized copies of the plans. Engineering designs shall be sealed by an Engineer currently registered in the State of Alaska.
- c. A list of all Contractors and Subcontractors working on the project.
- d. Evidence of all contracts between the TENANT and Contractors working on the project.
- e. Evidence of all contracts between Contractors and Subcontractors working on the project.
- f. Copies of Workers' Compensation insurance, Comprehensive or Commercial General Liability Insurance and Automobile Liability Insurance for all Contractors and Subcontractors working on the project.
- g. Performance Bond and Payment Bond if required.
- h. All other submittals required by the Terminal Construction Standards and the Special Conditions of the Airport Building Permit.
- i. A construction schedule.
- j. Superintendent's name, local address and 24 hour telephone number.
- k. Airport Building Permit Modification(s) as required.
- l. Shop drawings for signs and menu boards (scale  $\frac{1}{2}$ " = 1'0" or larger), elevations and sectional views, letter style and size, colors and materials, method of illumination, and electrical requirements.

The TENANT shall conduct a pre-construction meeting on the airport within normal working hours. The purpose of the pre-construction meeting is to assure that all parties understand the requirements of the Airport Building Permit. At a minimum, the TENANT, Superintendent, Designers, Contractors, Subcontractors, ANC Facilities and ANC Engineering shall be invited to attend. The TENANT shall create an agenda. The TENANT is required to submit meeting minutes of the pre-construction conference prior to beginning construction. At a minimum the agenda shall include the following:

- a. introductions of all persons associated with the project
- b. a review of the scope of work
- c. a discussion of the plans, specifications and the Airport Building Permit. Any unusual conditions, potential construction difficulties or specialty items should be discussed
- d. A review of the TENANT's proposed method of construction and schedule of operations
- e. Coordination with ANC, other TENANTS and utilities
- f. Impacts on operations
- g. Noise and dust control

### **3.6 Construction:**

The TENANT is permitted to construct the project in accordance with the Airport Building Permit. The TENANT is solely responsible for the construction of the project. The Airport Director will make visits to the site at intervals appropriate to the various stages of construction to observe the progress and quality of the executed Work and to determine, in general, if the Work is proceeding in accordance with the Airport Building Permit.

### **3.7 Final Completion:**

- 3.7.1 Final Inspection - Upon written notice from the TENANT that the entire Work or an agreed portion thereof is complete, the Airport Director will make a final inspection with the TENANT and appropriate Consultant(s) and will notify the TENANT in writing of all particulars in which this inspection reveals that the Work is incomplete or Defective. The TENANT shall immediately take such measures as are necessary to remedy such deficiencies.
- 3.7.2 Final Completion and Application for Final Acceptance - After the TENANT has completed all such corrections to the satisfaction of the Airport Director and delivered all maintenance and operating instructions, schedules, guarantees, bonds, release of lien by all laborers, Contractors, Subcontractors and Suppliers, certificates of inspection, marked-up record documents and other documents - all as required by the Airport Building Permit; and after the Airport Director has indicated in writing that the Work has met the requirements for Final Completion, the TENANT may make application for Final Acceptance. The application for Final Acceptance shall be accompanied by all remaining certificates, warranties, guarantees, releases, affidavits, and other documentation required by the Airport Building Permit.

### **3.8 Final Acceptance :**

- 3.8.1 After the TENANT has completed all work and met all of the conditions of the Airport Building Permit, ANC will issue a letter of Final Acceptance. Final Acceptance releases the TENANT from further obligations under the Airport Building Permit with the exception of provisions under Article 11 Quality Assurance.

### **3.9 Intent of Airport Building Permit:**

- 3.9.1 Reference to standard specifications, manuals or codes of any technical society, organization or association, or to the Regulatory Requirements of any governmental authority, whether such reference be specific or by implication, shall mean the edition stated in the Airport Building Permit or if not stated the latest standard specification, manual, code or Regulatory Requirements on the Effective Date of the Airport Building Permit. However, no provision of any referenced standard specification, manual or code (whether or not specifically incorporated by reference in the Airport Building Permit) shall be effective to change the duties and responsibilities of ANC and the TENANT, or any of their consultants, agents or employees from those set forth in the Airport Building Permit, nor shall it be effective to assign to ANC or any of ANC's Consultants, agents or employees, any duty or authority to supervise or direct the furnishing or performance of the Work.

### **3.10 Discrepancy in Airport Building Permit:**

3.10.1 Before undertaking the Work, the TENANT shall carefully study the Airport Building Permit. If, during the above study or during the performance of the Work, the TENANT finds a conflict, error, discrepancy or omission in the Airport Building Permit, or a discrepancy between the Airport Building Permit and any standard specification, manual, code, or Regulatory Requirement which affects the Work, the TENANT shall promptly report such discrepancy in writing to the Airport Director. The TENANT shall obtain a written interpretation or clarification from the Airport Director before proceeding with any Work affected thereby. Any adjustment made by the TENANT without this determination shall be at his own risk and expense.

3.10.2 When conflicts, errors or discrepancies within the Airport Building Permit exist, the order of precedence from most governing to least governing will be as follows:

1. Lease
2. Permit Modifications
3. Special Conditions
4. Waiver from Terminal Construction Standards
5. Terminal Construction Standards
6. Airport Building Permit Application Form

## **ARTICLE 4 - SPACE AND PHYSICAL CONDITIONS**

### **4.1 Availability of Space:**

- 4.1.1 The TENANT shall accomplish all work within their leased space.
- 4.1.2 When construction must occur in space leased by other Tenants, the TENANT shall obtain written permission from the other Tenants allowing entry into their space.
- 4.1.3 When construction occurs in common space, the TENANT shall submit a work plan. The TENANT shall obtain permission from ANC to use common space during construction.

### **4.2 Visit to Site:**

The submission of an Airport Building Permit Application is considered a representation that the TENANT has visited the site and carefully examined the site and is satisfied as to the conditions to be encountered in performing the Work.

### **4.3 Utilities:**

- 4.3.1 The TENANT shall determine the horizontal and vertical locations of known utilities.
- 4.3.2 The TENANT shall have full responsibility for:
  - a. Obtaining and reviewing all information and data concerning utilities.
  - b. Locating all underground utilities which may be affected by the Work.
  - c. Coordination of the Work with the owners of all utilities during construction.
  - d. Safety and protection of all utilities.
  - e. Repair of any damage to utilities resulting from the Work.
- 4.3.3 If Work is to be performed by any utility owner, the TENANT shall cooperate with such owners to facilitate the Work.
- 4.3.4 In the event of interruption to any utility service as a result of accidental breakage or as result of being exposed or unsupported, the TENANT shall promptly notify the utility owner and the Airport Director. If service is interrupted, repair work shall be continuous until the service is restored. No Work shall be undertaken around fire sprinkler systems until provisions for continued service has been approved by the local fire authority.
- 4.3.5 The TENANT shall not work on any utility without the written permission of the utility owners.

### **4.4 Damaged Utilities:**

When utilities are damaged by the TENANT, the utility owner shall have the choice of repairing the utility or having the TENANT repair the utility. Unless the utility owner accepts responsibility for the damage, the TENANT shall reimburse the utility owner for repair costs or provide at no cost to the utility owner or ANC, all materials, equipment and labor necessary to complete repair of the damage.

## **ARTICLE 5 - BONDS, INSURANCE, AND INDEMNIFICATION**

### **5.1 Delivery of Bonds:**

The TENANT shall deliver to the Airport Director all required bonds before a "Permission to Proceed" will

be issued.

## 5.2 Bonds:

The TENANT shall furnish Performance and Payment Bonds, each in an amount as shown on the Airport Building Permit as security for the faithful performance and payment of all TENANT's obligations under the Airport Building Permit. These bonds shall remain in effect for one year after the date of Final Acceptance. All bonds shall be furnished on forms provided by ANC (or copies thereof) and shall be executed by such Sureties as are authorized to do business in the State of Alaska. The Airport Director may at his option copy the Surety with notice of any potential default or liability.

## 5.3 Replacement of Bond and Surety:

If the Surety on any bond furnished in connection with this Airport Building Permit is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of the Airport Building Permit, or otherwise becomes unacceptable to ANC, or if any such Surety fails to furnish reports as to his financial condition as requested by ANC, the TENANT shall within five days thereafter substitute another bond and Surety, both of which must be acceptable to ANC.

## 5.4 Insurance Requirements:

5.4.1 The TENANT, Contractors, and Subcontractors shall provide evidence of insurance with a carrier or carriers satisfactory to ANC covering injury to persons and/or property suffered by the State of Alaska or a third party, as a result of operations which arise both out of and during the course of this Airport Building Permit by the TENANT, Contractors or Subcontractor. This coverage will also provide protection against injuries to all employees of the TENANT and the employees of any Contractor or Subcontractor engaged in Work under this Airport Building Permit. The delivery to ANC of a written 30 day notice is required before cancellation of any coverage or reduction in any limits of liability. Insurance carriers shall have an acceptable financial rating.

5.4.2 The TENANT shall maintain in force at all times during the performance of Work under this agreement the following policies of insurance. Failure to maintain insurance may, at the option of the Airport Director, be deemed Defective Work and remedied in accordance with the Airport Building Permit. Where specific limits and coverages are shown, it is understood that they shall be the minimum acceptable. The requirements of this paragraph shall not limit the TENANT's responsibility to indemnify ANC.

- a. Workers' Compensation Insurance: The TENANT shall provide and maintain, for all employees of the TENANT, Contractor and Subcontractor engaged in Work under this Airport Building Permit, Workers' Compensation Insurance as required by AS 23.30.045.

The TENANT shall be responsible for Workers' Compensation Insurance for any Contractor or Subcontractor who provides services under this Airport Building Permit, to include:

1. Employer's Liability Protection in the amount of \$100,000 per person/\$100,000 per occurrence;
2. If the TENANT directly utilizes labor outside of the State of Alaska in the prosecution of the Work, "Other States" endorsement shall be required as a Condition of the Airport Building Permit.

- b. Comprehensive or Commercial General Liability Insurance: Such insurance shall cover all operations by or on behalf of the TENANT, Contractor or Subcontractor and provide insurance for bodily injury and property damage liability including coverage for:

premises and operations; products and completed operations; contractual liability insuring obligations assumed under paragraph 5.5, Indemnification; broad form property damage; and personal injury

liability.

The minimum limits of liability shall be:

1. If the TENANT carries a *Comprehensive General Liability* policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage and Personal Injury Liability of:

\$500,000 each occurrence  
\$1,000,000 aggregate

2. If the TENANT carries a *Commercial General Liability* policy, the limits of liability shall not be less than:

\$500,000 each occurrence (Combined Single Limit for bodily injury and property damage)  
\$500,000 for Personal Injury Liability

\$1,000,000 aggregate for Products-Completed Operations  
\$1,000,000 general aggregate

The State of Alaska, Department of Transportation and Public Facilities shall be named as an "Additional Insured" under all liability coverages listed above.

- c. Automobile Liability Insurance:

Such insurance shall cover all owned, hired and non-owned vehicles and provide coverage not less than that of the Business Automobile Policy in limits not less than the following:

\$1,000,000 each occurrence

(Combined Single Limit for bodily injury and property damage.)

- 5.4.3 Evidence, consisting of a certificate of insurance or the policy declaration page with required endorsements attached thereto - all of which have been executed by the insurer's representative and issued to ANC - shall denote the type, amount, class of operations covered, effective (and retroactive) dates, and dates of expiration of policies.

Evidence pertaining to Worker's Compensation, General Liability, or Automobile Liability is required prior to commencement of Work. Acceptance by ANC of deficient evidence does not constitute a waiver of Airport Building Permit requirements as provided for by the Conditions of the Airport Building Permit.

If a certificate is submitted as evidence it shall contain the following statement:

"This is to certify that the policies described herein comply with all aspects of the insurance requirements of (Airport Building Permit Number)."

## **5.5 Indemnification:**

The TENANT shall indemnify, save harmless, and defend ANC, its agents and its employees from any and all claims, actions, or liabilities for injuries or damages sustained by any person or property arising directly or indirectly from the construction or the TENANT's performance of this Airport Building Permit.

## **ARTICLE 6 - TENANT'S RESPONSIBILITIES**

### **6.1 Supervision of Work:**

The TENANT shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Airport Building Permit. All Work under this Airport Building Permit shall be performed in a skillful and workmanlike manner. The TENANT shall be solely responsible for the means, methods, techniques, sequences and procedures of construction.

### **6.2 Superintendence by TENANT:**

The TENANT shall keep on the Work at all times during its progress a competent resident superintendent. The Airport Director shall be advised in writing of the superintendent's name, local address, and 24 hour telephone number(s). This written advice is to be kept current until Final Acceptance by ANC. The superintendent will be the TENANT's representative at the site and shall have full authority to accept documents on behalf of the TENANT.

All communications given to the superintendent shall be as binding as if given to the TENANT. The TENANT shall cooperate with the Airport Director in every way possible.

### **6.3 Character of Workers:**

The TENANT shall provide a sufficient number of competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Airport Building Permit. The TENANT shall at all times maintain good discipline, security and order at the site. The Airport Director may, in writing, require the TENANT to remove from the Work any employee the Airport Director deems incompetent, careless, or otherwise detrimental to the progress of the Work, but the Airport Director shall have no duty to exercise this right. Workers who cannot obtain an Airport Badge shall not be allowed access to the AOA.

### **6.4 TENANT to Furnish:**

Unless otherwise specified in the Airport Building Permit, the TENANT shall furnish and assume full responsibility for all materials, equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance testing, start-up and completion of the Work.

### **6.5 Materials and Equipment:**

All materials and equipment shall be of specified quality and new, except as otherwise provided in the Airport Building Permit. If required by the Airport Director, the TENANT shall furnish satisfactory evidence (including reports of required tests) as to the kind and quality of materials and equipment. All materials and equipment shall be applied, installed, connected, erected, used, cleaned, and conditioned in accordance with the instructions of the applicable Supplier except as otherwise provided in the Airport Building Permit; but no provision of any such instructions will be effective to assign to ANC or any of ANC's Consultants, agents or employees, any duty or authority to supervise or direct the furnishing or performance of the Work.

### **6.6 Schedules:**

The TENANT shall have a completed work schedule submitted and accepted by the Airport Director prior to beginning work. Receipt and acceptance of a schedule submitted by the TENANT shall not be construed to assign responsibility for performance or contingencies to ANC or relieve the TENANT of his responsibility to adjust his forces, equipment, and work schedules as may be necessary to insure completion of the Work within prescribed Airport Building Permit. Should the prosecution of the Work be discontinued for any reason, the TENANT shall notify the Airport Director at least 24 hours in advance.

of resuming operations.

### **6.7 Adjusting Schedules:**

Upon substantial changes to the schedule or upon request the TENANT shall submit a revised schedule to the Airport Director for acceptance.

### **6.8 Substitutes or "Or-Equal" Items:**

- 6.8.1 The TENANT is required to furnish and install specific material products when specified by the Airport Building Permit. Materials or equipment of other Suppliers may be accepted by the Airport Director only if sufficient information is submitted by the TENANT which clearly demonstrates to the Airport Director that the material or equipment proposed is equivalent or equal in all aspects to that named. The procedure for review by the Airport Director will include the following as supplemented in the General Requirements.
- 6.8.2 Requests for review of substitute items of material and equipment will not be accepted by the Airport Director from anyone other than the TENANT.
- 6.8.3 If the TENANT wishes to furnish or use a substitute item of material or equipment, the TENANT shall make written application to the Airport Director for Approval thereof, certifying that the proposed substitute will perform adequately the functions and achieve the results called for by the general design, be similar and of equal substance to that specified and be suited to the same use as the specified. The application will state whether or not acceptance of the substitute for use in the Work will require a change in any of the Airport Building Permit.
- 6.8.4 All variations of the proposed substitute from that specified will be identified in the application and available maintenance, repair and replacement service will be indicated. The application will also contain an itemized estimate of all costs that will result directly or indirectly from acceptance of such substitute, including costs of redesign and claims of other TENANTs affected by the resulting change, all of which shall be considered by ANC in evaluating the proposed substitute. ANC may require the TENANT to furnish at the TENANT's expense additional data about the proposed substitute. The Airport Director may reject any substitution request which the Airport Director determines is not in the best interest of ANC.

### **6.9 Substitute Means and Methods:**

If a specific means, method, technique, sequence or procedure of construction is indicated in or required by the Airport Building Permit, the TENANT may furnish or utilize a substitute means, method, sequence, technique or procedure of construction acceptable to the Airport Director, if the TENANT submits sufficient information to allow the Airport Director to determine that the substitute proposed is equivalent to that indicated or required by the Airport Building Permit. The procedure for review by the Airport Director will be similar to that provided for "Substitutes or "Or-Equal" Items as applied by the Airport Director.

### **6.10 Evaluation of Substitution:**

The Airport Director will be allowed a reasonable time within which to evaluate each proposed substitute. The Airport Director will be the sole judge of acceptability, and no substitute will be installed or utilized without the Airport Director's prior written Approval which will be evidenced by either a Directive or Permit Modification. The Airport Director may require the TENANT to furnish at the TENANT's expense a special performance guarantee or other Surety with respect to any substitute.

### **6.11 Contractors and Subcontractors:**

The TENANT may utilize the services of appropriately licensed Contractors/Subcontractors in accordance



with the following conditions:

- 6.11.1 The TENANT shall not allow any Contractor/Subcontractor to work on ANC unless the following items have been accepted by the Airport Director:
  - a. an executed copy of the contract between the TENANT and Contractor/Subcontractor.
  - b. evidence of insurance as required by the Airport Building Permit
- 6.11.2 The TENANT is fully responsible to ANC for all acts and omissions of the Contractors, Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under an Airport Building Permit with the TENANT just as the TENANT is responsible for the TENANT's own acts and omissions.
- 6.11.3 All Work performed for TENANT by a Contractor/Subcontractor will be pursuant to an appropriate written agreement between TENANT and the Contractor/Subcontractor which specifically binds the Contractor/Subcontractor to the applicable terms and conditions of the Airport Building Permit.
- 6.11.4 Nothing in the Airport Building Permit shall create any contractual relationship between ANC and any such Contractor, Subcontractor, Supplier or other person or organization. ANC will not undertake to settle any differences between or among the TENANT, Contractors, Subcontractors, or Suppliers. No acceptance by the Airport Director of any such Contractor/Subcontractor shall constitute a waiver of any right of ANC to reject Defective Work.

**6.12 Use of Premises:**

The TENANT shall confine construction equipment, the storage of materials and equipment and the operations of workers the TENANT's lease space and approved storage space, and shall not unreasonably encumber the premises with construction equipment or other materials or equipment. The TENANT shall assume full responsibility for any damage to any such space resulting from the performance of the Work. Should any claim be made against ANC by any such owner or occupant because of the performance of the Work, the TENANT shall hold ANC harmless.

**6.13 Structural Loading:**

The TENANT shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall the TENANT subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

**6.14 Record Documents:**

The TENANT shall maintain in a safe place at the site one record copy of all Drawings, Specifications, Addenda, Directives, Change Orders, Supplemental Agreements, Airport Building Permit, Permit Modifications and written interpretations and clarifications in good order and annotated to show all changes made during construction. These record documents together with all Approved samples and a counterpart of all Approved Shop Drawings will be available to the Airport Director for reference and copying. Upon completion of the Work, the annotated record documents, samples and Shop Drawings will be delivered to the Airport Director. Record documents shall accurately record variations in the Work which vary from requirements shown or indicated in the construction documents.

**6.15 Safety and Protection:**

The TENANT alone shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. The TENANT shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:

- 6.15.1 All employees on the Work and other persons and organizations who may be affected thereby;

- 6.15.2 All the Work and materials and equipment to be incorporated therein, whether in storage on or off the site; and
- 6.15.3 Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation or replacement in the course of construction.

The TENANT shall comply with all applicable Regulatory Requirements of any public body having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss; and shall erect and maintain all necessary safeguards for such safety and protection. The TENANT shall notify owners of adjacent property and utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation and replacement of their property. All damage, injury or loss to any property caused, directly or indirectly, in whole or in part, by the TENANT, any Contractor, Subcontractor, Supplier or any other person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, shall be remedied by the TENANT, The TENANT's duties and responsibilities for the safety and protection of the Work shall continue until Final Acceptance.

#### **6.16 Safety Representative:**

The TENANT shall designate a responsible safety representative at the site. This person shall be the TENANT's superintendent unless otherwise designated in writing by the TENANT to the Airport Director.

#### **6.17 Emergencies:**

In emergencies affecting the safety or protection of persons or the Work or property at the site or adjacent thereto, the TENANT, without special instruction or authorization from ANC, is obligated to act to prevent threatened damage, injury or loss. The TENANT shall give the Airport Director prompt written notice if the TENANT believes that any significant changes in the Work or variations from the Airport Building Permit have been caused thereby. If ANC determines that a change in the Airport Building Permit is required because of the action taken in response to an emergency, a Directive or Permit Modification will be issued by the Airport Director.

#### **6.18 Shop Drawings and Samples:**

- 6.18.1 After checking and verifying all field measurements and after complying with applicable procedures specified in the General Requirements, the TENANT shall submit to the Airport Director for review and Approval the required number of all Shop Drawings, which will bear a stamp or specific written indication that the TENANT has satisfied TENANT's responsibilities under the Airport Building Permit with respect to the review of the submission. All submissions will be identified as the Airport Director may require. The data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials and similar data to enable the Airport Director to review the information as required.
- 6.18.2 The TENANT shall also submit to the Airport Director for review and Approval all samples required by the Airport Building Permit. All samples will have been checked by and accompanied by a specific written indication that the TENANT has satisfied TENANT's responsibilities under the Airport Building Permit with respect to the review of the submission and will be identified clearly as to material, Supplier, pertinent data such as catalog numbers and the use for which intended.
- 6.18.3 Before submission of each Shop Drawing or sample the TENANT shall have determined and verified all quantities, dimensions, specified performance criteria, installation requirements, materials, catalog numbers and similar data with respect thereto and reviewed or coordinated each Shop Drawing or sample with other Shop Drawings and samples and with the requirements of the Work and the Airport Building Permit.

6.18.4 At the time of each submission the TENANT shall give the Airport Director specific written notice of each variation that the Shop Drawings or samples may have from the requirements of the Airport Building Permit, and, in addition, shall cause a specific notation to be made on each Shop Drawing submitted to the Airport Director for review and Approval of each such variation. All variations of the proposed Shop Drawing from that specified will be identified in the submission and available maintenance, repair and replacement service will be indicated. The submittal will also contain an itemized estimate of all costs that will result directly or indirectly from acceptance of such variation. ANC may require the TENANT to furnish at the TENANT's expense additional data about the proposed variation. The Airport Director may reject any variation request which the Airport Director determines is not in the best interest of ANC.

**6.19 Shop Drawing and Sample Review:**

6.19.1 The Airport Director will review within seven days Shop Drawings and samples, but the Airport Director's review will be only for compliance with the requirements given in the Airport Building Permit and shall not extend to means, methods, techniques, sequences or procedures of construction (except where a specific means, method, technique, sequence or procedure of construction is indicated in or required by the Airport Building Permit) or to safety precautions or programs incident thereto. The review of a separate item as such will not indicate acceptance of the assembly in which the item functions. The TENANT shall make corrections required by the Airport Director and shall return the required number of corrected copies of Shop Drawings and submit as required new samples for review. The TENANT shall direct specific attention in writing to revisions other than the corrections called for by the Airport Director on previous submittals.

6.19.2 The Airport Director's review of Shop Drawings or samples shall not relieve TENANT from responsibility for any variation from the requirements of the Airport Building Permit unless the TENANT has in writing advised the Airport Director of each such variation at the time of submission. Approval by the Airport Director will not relieve the TENANT from responsibility for errors or omissions in the Shop Drawings.

6.19.3 ANC shall be responsible for all review costs resulting from the initial submission and one resubmittal. The TENANT shall pay all review costs incurred by ANC as a result of any additional resubmittals.

6.19.4 Where a Shop Drawing or sample is required by the Airport Building Permit, any related Work performed prior to the Airport Director's review and Approval of the pertinent submission will be the sole expense and responsibility of the TENANT.

**6.20 Maintenance During Construction:**

The TENANT is responsible for maintenance during construction. Unless stated otherwise in the TENANT's lease or within the Airport Building Permit, the TENANT is responsible for maintenance after construction. When ANC agrees to accept maintenance responsibilities for TENANT construction, the TENANT is responsible for maintenance until Final Acceptance by ANC unless stated otherwise in the Airport Building Permit.

**6.21 Assignment:**

The Airport Building Permit is issued to a specific TENANT and can not be transferred or assigned.

## **ARTICLE 7 - LAWS AND REGULATIONS**

### **7.1 Laws to be Observed**

The TENANT shall keep fully informed of all federal and state Regulatory Requirements and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any manner affect those engaged or employed on the Work, or which in any way affect the conduct of the Work. The TENANT shall at all times observe and comply with all such Regulatory Requirements, orders and decrees; and shall protect and indemnify ANC and its representatives against claim or liability arising from or based on the violation of any such Regulatory Requirement, order, or decree whether by the TENANT, Contractor, Subcontractor, or any employee of either. Except where otherwise expressly required by applicable Regulatory Requirements, ANC shall not be responsible for monitoring TENANT's compliance with any Regulatory Requirements.

### **7.2 Permits, Licenses, and Taxes**

The TENANT shall procure all permits and licenses, pay all charges, fees and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the Work. As a condition of performance of this Airport Building Permit, the TENANT shall pay all federal, state and local taxes incurred by the TENANT, in the performance of this Airport Building Permit.

### **7.3 Patented Devices, Materials and Processes**

If the TENANT employs any design, device, material, or process covered by letters of patent, trademark or copyright, the TENANT shall provide for such use by suitable legal agreement with the patentee or owner. The TENANT and the Surety shall indemnify and save harmless ANC, any affected third party, or political subdivision from any and all claims for infringement by reason of the use of any such patented design, device, material or process, or any trademark or copyright, and shall indemnify ANC for any costs, expenses, and damages which it may be obliged to pay by reason of any infringement, at any time during the prosecution or after the completion of the Work.

### **7.4 Compliance of Airport Building Permit:**

If the TENANT observes that the Airport Building Permit issued by ANC is at variance with any Regulatory Requirements, TENANT shall give the Airport Director prompt written notice thereof, and the Airport Director may issue a Directive or Permit Modification if needed. If the TENANT performs any Work knowing or having reason to know that it is contrary to such Regulatory Requirements, and without such notice to the Airport Director, the TENANT shall bear all costs arising therefrom.

### **7.5 Accident Prevention:**

The TENANT shall comply with AS 18.60.075 and all pertinent provisions of the Construction Code Occupational Safety and Health Standards issued by the Alaska Department of Labor.

### **7.6 Sanitary Provisions:**

The TENANT may use existing facilities during construction operations. The TENANT's use shall not interfere with the public's use of the facility. The TENANT shall not use facilities for cleaning of construction equipment.

### **7.7 Business Registration:**

All work shall comply with AS 08.18.011, as follows: "it is unlawful for a person to submit a bid or work as a contractor until he has been issued a certificate of registration by Department of Commerce. A partnership or joint venture shall be considered registered if one of the general partners or venturers whose name appears in the name under which the partnership or venture does business is registered."

### **7.8 Professional Registration and Certification:**

All craft trades, architects, engineers and land surveyors, electrical administrators, and explosive handlers employed by the TENANT and working under the Airport Building Permit shall specifically comply with applicable provisions of AS 08.18, 08.48, 08.40, and 08.52. Provide copies of individual licenses within seven days following a request from the Airport Director.

### **7.9 Local Building Codes:**

The TENANT shall comply with AS 35.10.025 which requires construction in accordance with applicable local building codes to include the obtaining of required permits.

### **7.10 Air Quality Control:**

The TENANT shall comply with all applicable provisions of AS 46.03.04 as pertains to Air Pollution Control.

### **7.11 Personal Liability of Public Officials:**

In carrying out any of the provisions thereof, or in exercising any power or authority granted to the Airport Director by the Airport Building Permit, there will be no liability upon the Airport Director nor upon state employees authorized as his representatives, either personally or as officials of the State of Alaska, it being always understood that in such matters they act as agents and representatives of ANC.

## **ARTICLE 8 - OTHER WORK**

### **8.1 Related Work at Site:**

- 8.1.1 ANC reserves the right at any time to contract for and perform other or additional work on or near the Work covered by the Airport Building Permit.
- 8.1.2 When separate Airport Building Permits are let within the limits of the Project, the TENANT shall conduct his Work so as not to interfere with or hinder the work being performed by other TENANTS and/or ANC. The TENANT when working on the same Project with other TENANTS and/or ANC shall cooperate with such other TENANTS and/or ANC. The TENANT shall join his Work with that of the others in an acceptable manner and shall perform it in proper sequence to that of others.
- 8.1.3 The TENANT is responsible for contacting and coordinating his Work with other TENANTS. The TENANT shall assume all liability, financial or otherwise, in connection with this Airport Building Permit and indemnify and save harmless ANC from any and all damages or claims that may arise because of inconvenience, delay, or loss experienced by the TENANT because of the presence and operations of other TENANTS.
- 8.1.4 Unless stated otherwise in the Airport Building Permit, the TENANTS Work shall be subservient to all ANC Work.

### **8.2 Access, Cutting, and Patching:**

The TENANT shall afford utility owners, other TENANTS and ANC, (if ANC is performing the additional work with ANC's employees) proper and safe access to the site and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such work, and shall properly connect and coordinate the Work with the work of others. The TENANT shall do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work, the TENANT shall not endanger any work of others by cutting, excavating or otherwise altering their work.

### **8.3 Defective Work by Others:**

If any part of the TENANT's Work depends for proper execution or results upon the work of any such other TENANT, utility owner, or ANC, the TENANT shall inspect and promptly report to the Airport Director in writing any delays, defects or deficiencies in such work that render it unavailable or unsuitable for such proper execution and results. The TENANT's failure to so report will constitute an acceptance of the other work as fit and proper for integration with TENANT's Work except for latent or non-apparent defects and deficiencies in the other work.

## **ARTICLE 9 - CHANGES**

### **9.1 ANC's Right to Change**

Without invalidating the Airport Building Permit and without notice to any Surety, ANC may, at any time or from time to time, order additions, deletions or revisions in the Work within the general scope of the Airport Building Permit, including but not limited to changes:

- 9.1.1 In the Airport Building Permit;
- 9.1.2 In the method or manner of performance of the Work;
- 9.1.3 In ANC-furnished facilities, equipment, materials, services, or site;
- 9.1.4 Directing acceleration in the performance of the Work.

### **9.2 Authorization of Changes within the General Scope.**

Additions, deletions, or revisions in the Work within the general scope of the Airport Building Permit shall be authorized by one or more of following ways:

- 9.2.1 Directive
- 9.2.2 Permit Modification

### **9.3 Directive**

- 9.3.1 The Airport Director shall provide written clarification or interpretation of the Airport Building Permit.
- 9.3.2 The Airport Director may authorize minor variations in the Work from the requirements of the Airport Building Permit which are consistent with the overall intent of the Airport Building Permit.
- 9.3.3 The Airport Director may order the TENANT to correct Defective Work or methods which are not in conformance with the Airport Building Permit.
- 9.3.4 The Airport Director may direct the commencement or suspension of Work or emergency related Work.
- 9.3.5 Upon the issuance of a Directive to the TENANT by the Airport Director, the TENANT shall proceed with the performance of the Work as prescribed by such Directive.

### **9.4 Permit Modification**

Changes to the conditions provided in the Airport Building Permit shall be made by a Permit Modification. Upon receipt of a Permit Modification, the TENANT shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Airport Building Permit.

### **9.5 Unauthorized Work:**

The TENANT shall not be entitled to an extension of the Airport Building Permit Time with respect to any work performed that is not allowed by the Airport Building Permit.

### **9.6 Notification of Surety:**

If notice of any change affecting the general scope of the Work or the conditions of the Airport Building Permit is required by the provisions of any bond to be given to a Surety, the giving of any such notice will

be the TENANT's responsibility, and the amount of each applicable bond will be adjusted accordingly.

**9.7 Differing Site Conditions:**

9.7.1 The TENANT shall promptly notify the Airport Director in writing of any differing site condition that may require a Permit Modification. The Airport Director shall promptly investigate the conditions, and if the Airport Director finds that such conditions do materially so differ a Permit Modification may be issued or the Permit may be terminated.



## **ARTICLE 10 - AIRPORT BUILDING PERMIT TIME; COMPUTATION AND CHANGE**

### **10.1 Commencement of Airport Building Permit Time:**

The Airport Building Permit Time will commence to run on the day indicated in the Permission to Proceed.

### **10.2 Starting the Work:**

No Work allowed under the Airport Building Permit shall be performed before the effective date of the Permission to Proceed. The TENANT shall notify the Airport Director at least 24 hours in advance of the time actual construction operations will begin.

### **10.3 Computation of Airport Building Permit Time:**

10.3.1 When the Airport Building Permit Time is specified on a Calendar Day basis, all Work under the Airport Building Permit shall be completed within the number of Calendar Days specified. The count of Airport Building Permit Time begins on the day following receipt of the Permission to Proceed by the TENANT, if no starting day is stipulated therein.

Calendar Days shall continue to be counted against Airport Building Permit Time until and including the date of Final Completion of the Work.

10.3.2 When the Airport Building Permit completion time is specified as a fixed calendar date, it shall be the date of Final Completion.

### **10.4 Airport Building Permit Time Change:**

The Airport Building Permit Time may only be changed by a Permit Modification.

### **10.5 Delay Damages:**

Whether or not the TENANT's right to proceed with the Work is terminated, he and his Sureties shall be liable for damages resulting from his refusal or failure to complete the Work within the specified time.

Liquidated and actual damages for delay shall be paid by the TENANT or his Surety to ANC in the amount as specified in the Special Conditions for each Calendar Day the completion of the Work or any part thereof is delayed beyond the time required by the Airport Building Permit, or any extension thereof. If a listing of incidents resulting from a delay and expected to give rise to actual or liquidated damages is not established by the Airport Building Permit, then the TENANT and his Surety shall be liable to ANC for any actual damages occasioned by such delay. The TENANT acknowledges that the liquidated damages established herein are not a penalty but rather constitute an estimate of damages that ANC will sustain by reason of delayed completion. These liquidated and actual damages are intended as compensation for losses anticipated to arise, and include those items enumerated in the Special Conditions.

These damages will continue to run both before and after termination in the event of default termination. These liquidated damages do not cover excess costs of completion or ANC costs, fees, and charges related to procurement. If a default termination occurs, the TENANT or his Surety shall pay in addition to these damages, all excess costs and expenses related to completion.

## **ARTICLE 11 - QUALITY ASSURANCE**

### **11.1 Warranty and Guaranty:**

The TENANT warrants and guarantees to ANC that all Work will be in accordance with the Airport Building Permit and will not be Defective. Prompt notice of all defects shall be given to the Airport Director. All Defective Work, whether or not in place, may be rejected, corrected or accepted as provided for in this article.

### **11.2 Access to Work:**

ANC and ANC's representatives, testing agencies and governmental agencies with jurisdiction interests will have access to the Work at reasonable times for their observation, inspecting and testing. The TENANT shall provide proper and safe conditions for such access.

### **11.3 Tests and Inspections:**

11.3.1 The TENANT shall give the Airport Director timely notice of readiness of the Work for all required inspections, tests or Approvals.

11.3.2 If Regulatory Requirements of any public body having jurisdiction require any Work (or part thereof) to specifically be inspected, tested or approved, the TENANT shall assume full responsibility therefor, pay all costs in connection therewith and furnish the Airport Director the required certificates of inspection, testing or approval. The TENANT shall also be responsible for and shall pay all costs in connection with any inspection or testing required in connection with ANC's acceptance of a Supplier of materials or equipment proposed to be incorporated in the Work, or of materials or equipment submitted for Approval prior to the TENANT's purchase thereof for incorporation in the Work. The cost of all inspections, tests and approvals in addition to the above which are required by the Airport Building Permit shall be paid by the TENANT. ANC may perform additional tests and inspections which it deems necessary to insure quality control. All such failed tests or inspections shall be at the TENANT's expense.

11.3.4 If any Work (including the work of others) that is to be inspected, tested or Approved is covered without written concurrence of the Airport Director, it must, if requested by the Airport Director, be uncovered for observation. Such uncovering shall be at the TENANT's expense unless the TENANT has given the Airport Director timely notice of TENANT's intention to cover the same and the Airport Director has not acted with reasonable promptness in response to such notice.

11.3.5 Neither observations nor inspections, tests or Approvals by ANC or others shall relieve the TENANT from the TENANT's obligations to perform the Work in accordance with the Airport Building Permit.

### **11.4 Uncovering Work:**

11.4.1 If any Work is covered contrary to the written request of the Airport Director, it must, if requested by the Airport Director, be uncovered for the Airport Director's observation and replaced at the TENANT's expense.

11.4.2 If the Airport Director considers it necessary or advisable that covered Work be observed inspected or tested, the TENANT, at the Airport Director's request, shall uncover, expose or otherwise make available for observation, inspection or testing as the Airport Director may require, that portion of the Work in question, furnishing all necessary labor, material and equipment. If it is found that such Work is Defective, the TENANT shall bear all direct, indirect and consequential costs of such uncovering, exposure, observation, inspection and testing and of satisfactory reconstruction, (including but not limited to fees and charges of engineers, architects, attorneys and other professionals). If it is found that such Work is not Defective, ANC shall bear all direct, indirect and consequential costs of such uncovering, exposure, observation, inspection and testing (including but not limited to fees and

charges of engineers, architects, attorneys and other professionals).

#### **11.5 ANC May Stop the Work:**

If the Work is Defective, or the TENANT fails to supply suitable materials or equipment, or fails to furnish or perform the Work in such a way that the completed Work will conform to the Airport Building Permit, the Airport Director may order the TENANT to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of the Airport Director to stop the Work shall not give rise to any duty on the part of the Airport Director to exercise this right for the benefit of the TENANT or any other party.

#### **11.6 Correction or Removal of Defective Work:**

If required by the Airport Director, the TENANT shall promptly, as directed, either correct all Defective Work, whether or not fabricated, installed or completed, or, if the Work has been rejected by the Airport Director, remove it from the site and replace it with Work which conforms to the requirements of the Airport Building Permit. The TENANT shall bear all direct, indirect and consequential costs of such correction or removal (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) made necessary thereby.

#### **11.7 Correction Period:**

Work constructed without or not in conformance with an approved Airport Building Permit, shall be removed or corrected at the TENANT expense regardless of the date of construction or date of discovery by ANC.

For work constructed in conformance with an approved Airport Building Permit, if within one year after the date of Final Acceptance or such longer period of time as may be prescribed by Regulatory Requirements or by any specific provision of the Airport Building Permit, any Work is found to be Defective, the TENANT shall promptly, without cost to ANC and in accordance with the Airport Director's written instructions, either correct such Defective Work, or, if it has been rejected by the Airport Director, remove it from the site and replace it with conforming Work. If the TENANT does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, ANC may have the Defective Work corrected or the rejected Work removed and replaced, and all direct, indirect and consequential costs of such removal and replacement (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) will be paid by the TENANT.

#### **11.8 ANC May Correct Defective Work:**

If the TENANT fails within a reasonable time after written notice from the Airport Director to proceed to correct Defective Work or to remove and replace rejected Work as required by the Airport Director, or if the TENANT fails to perform the Work in accordance with the Airport Building Permit, or if the TENANT fails to comply with any other provision of the Airport Building Permit, ANC may, after 7 days' written notice to the TENANT, correct and remedy any such deficiency. To the extent necessary to complete corrective and remedial action, the Airport Director may exclude the TENANT from all or part of the site, take possession of all or part of the Work, and suspend the TENANT's services related thereto, take possession of the TENANT's tools, appliances, construction equipment and machinery at the site and incorporate in the Work all materials and equipment stored at the site or approved remote storage. The TENANT shall allow the Airport Director and his authorized representatives such access to the site as may be necessary to enable the Airport Director to exercise the rights and remedies under this paragraph. All direct, indirect and consequential costs of ANC in exercising such rights and remedies will be charged against the TENANT. Such direct, indirect and consequential costs will include but not be limited to fees and charges of engineers, architects, attorneys and other professionals, all court and arbitration costs and all costs of repair and replacement of work of others destroyed or damaged by correction, removal or replacement of the TENANT's Defective Work. The TENANT shall not be allowed an extension of time because of any delay in performance of the work attributable to the exercise, by the

Airport Director, of ANC's rights and remedies hereunder.

**11.9 Warranty of Title:**

The TENANT warrants and guarantees that title to all Work, materials and equipment covered by any the Airport Building Permit will pass to ANC free and clear of any claims, liens, security interests and further obligations.

**11.10 TENANT's Continuing Obligation:**

The TENANT's obligation to perform and complete the Work and pay all laborers, Contactors, Subcontractors, and materialmen in accordance with the Airport Building Permit shall be absolute. Neither the use or occupancy of the Work or any part thereof by ANC, nor any act of acceptance by ANC nor any failure to do so, nor any review and Approval of a Shop Drawing or sample submission, nor any correction of Defective Work by ANC will constitute an acceptance of Work not in accordance with the Airport Building Permit or a release of the TENANT's obligation to perform the Work in accordance with the Airport Building Permit.

**11.11 No Waiver of Legal Rights:**

ANC shall not be precluded from showing the true amount and character of the Work performed and materials furnished by the TENANT or that the Work or materials are Defective. ANC shall not be precluded from recovering from the TENANT such damages as it may sustain by reason of his failure to comply with requirements of the Airport Building Permit. The acceptance by ANC shall not operate as a waiver of any portion of the Airport Building Permit or of any right to damages. A waiver by ANC of any breach of the Airport Building Permit shall not be held to be a waiver of any other subsequent breach.

## **ARTICLE I2 - SUSPENSION OF WORK AND DEFAULT**

### **12.1 ANC May Suspend Work:**

ANC may, at any time, suspend the Work or any portion thereof by notice in writing to the TENANT.

### **12.2 Default of Airport Building Permit:**

#### **12.2.1 If the TENANT:**

- a. Fails to begin the Work under the Airport Building Permit within the time specified, or
- b. Fails to perform the Work in accordance with the Airport Building Permit (including, but not limited to, failure to supply sufficiently skilled workmen, suitable materials or equipment or failure to adhere to the progress schedule estimate), or
- c. Performs the Work unsuitably or neglects or refuses to remove materials or to correct Defective Work, or
- d. Discontinues the prosecution of the Work, or
- e. Fails to resume Work which has been discontinued within a reasonable time after notice to do so, or
- f. Disregards Regulatory Requirements of any public body having jurisdiction, or
- g. Otherwise violates in any substantial way any provisions of the Airport Building Permit, or
- h. For any cause whatsoever, fails to carry on the Work in an acceptable manner, the Airport Director may give notice in writing to the TENANT and his Surety of such delay neglect, or default.

**END OF SECTION**