

PSE General Conditions

GC-1. Definitions.

(A) "Owner", "Contractor", "Contract" and "Project" shall have their respective meanings specified in the Construction Contract to which these General Conditions are attached.

(B) "Additional Insureds" means Puget Sound Power & Light Company, Architect, Engineer, their respective successors and assigns, and the respective directors, officers, employees, agents and representatives of Puget Sound Power & Light Company, Architect, Engineer, and their respective successors and assigns.

(C) "Architect" means Owner or such other person as may be designated from time to time by Owner in writing to act as the Architect under this Contract. In any event, all action indicated to be taken by the Architect shall be subject to the direction of Owner and to contrary or substitute action taken by Owner.

(D) "Engineer" means Owner or such other person as may be designated from time to time by Owner in writing to act as the Engineer under this Contract. In any event all action indicated to be taken by the Engineer shall be subject to the direction of Owner and to contrary or substitute action taken by Owner.

(E) "Support" means the following: Contractor's directors, officers, employees, agents and representatives; Contractor's suppliers and subcontractors of any tier; the respective directors, officers, employees, agents and representatives of Contractor's suppliers and sub-contractors of any tier; and any other person or entity acting under the direction or control or on behalf of Contractor or any of Contractor's suppliers or subcontractors of any tier in connection with or incident to the performance of the Work or this Contract.

(F) "Work" means all of the following furnished (or to be furnished), and the performance of all other obligations, under this Contract by Contractor or its Support: personnel, labor and supervision; technical, professional and other services; materials, tools, supplies, equipment, goods and other property; transportation, information, drawings, plans, specifications, design, data and other items.

GC-2. Authorized Representatives.

(A) In the administration of this Contract, Owner shall be represented by the person designated from time to time in writing by Owner as Owner's representative assigned to administer this Contract (the "Owner's Representative") and by such other persons as the Owner's Representative may from time to time authorize in writing to act for him.

(B) Contractor shall designate and have at all times a competent, authorized representative, acceptable to Owner, to represent and act with full authority for Contractor (the "Contractor's Representation"). Contractor shall give Owner written notice of the name, address and telephone number (day and night) of the Contractor's Representative and of any change in such designation. The Contractor's Representative shall have full authority to act in the name and on behalf of Contractor and to accept all

notices and other communications to Contractor under this Contract. The Contractor's Representative shall be present, or be duly represented by a competent individual acceptable to Owner who is present, at the site of performance of the Work at all times when Work is actually in progress. During periods when performance of the Work is not actually in progress arrangements acceptable to Owner shall be made for representation of Contractor with respect to any emergency Work which may be required. All notices, requests, approvals, consents, orders, instructions, directions and other communications given to the Contractor's Representative by Owner shall be as binding as if given to Contractor.

GC-3. Status of Contractor.

(A) Contractor shall be and act as an independent contractor (and not as the agent or representative of Owner) with regard to performance of the Work and this Contract. Contractor shall not represent that it is, or hold itself out as, an agent or representative of Owner. In no event shall Contractor be authorized to enter into any agreements or undertakings for or on behalf of Owner or to act as or be an agent or representative of Owner.

(B) Subject to compliance with the requirements of this Contract, Contractor shall perform the Work in accordance with its own methods.

(C) Contractor represents that it is, and that at all times during performance of the Work it shall be, fully experienced and properly qualified, licensed, equipped, organized and financed to perform the Work.

GC-4. Performance by Contractor.

(A) Contractor shall efficiently, expeditiously and effectually perform the Work in an orderly and workmanlike manner. Contractor shall enforce discipline and order among its Support. Contractor shall ensure that all persons performing Work comply with all jobsite work rules. Contractor shall ensure that only fully experienced and properly qualified persons perform the Work. Contractor shall, if so requested by Owner, remove from performance of the Work any person whom Owner determines to be incompetent, insubordinate, careless, disorderly or otherwise objectionable. Contractor shall not thereafter use such person in the performance of the Work without Owner's prior written permission. Contractor shall not hire any employee of Owner to perform any of the Work.

(B) Contractor shall confine all operations in the performance of the Work (including, but not limited to, offices, storage, assembly, vehicle and equipment parking, ingress, egress, and movement of materials, equipment and workers) to such areas and during such time periods as are specified in this Contract or designated by Owner. Unless otherwise directed by Owner, Contractor shall deliver to (or provide for delivery to and receive at) the site of the Work, unload and store all materials, equipment and other items to be installed, used, consumed or incorporated in the Work or otherwise used in connection with this Contract. Should Contractor find it necessary or advantageous to use any additional land for ingress to, or egress from, or movement of materials, equipment or workers to or from work areas, or for any purpose whatever, Contractor shall provide and make its own arrangements for the use of such additional land.

(C) Contractor shall keep its work areas and access to such areas cleared of rubbish, refuse and other debris and in a neat, clean and safe condition. Contractor shall clean up garbage, equipment parts, oil filters, fuel and oil spills and similar items on a daily basis. Any disposal of fuel, oil or equipment waste within the confines of the site of the Work shall be subject to Owner's prior approval. Upon completion of any portion of any of the Work, Contractor shall promptly remove all rubbish, refuse and other debris and all of its equipment, temporary structures, and surplus materials not to be used at or near the same location during later stages of the Work.

(D) Whenever Contractor has knowledge of any actual or potential labor dispute which may in any way affect, delay or arise in connection with or as a result of the performance of this Contract, contractor shall immediately notify and submit all relevant information to Owner.

GC-5. Compliance with Laws; Permits.

(A) Contractor shall comply, and shall ensure that the Work and all of Contractor's Support comply, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon owner and applicable to the Work). Contractor shall execute and deliver to Owner all documents as may be required to effect or to evidence such compliance. All laws, ordinances, rules, regulations, orders, licenses and permits required to be incorporated in agreements of this character are incorporated herein by this reference.

(B) Unless otherwise specified in this Contract or directed by Owner, Contractor shall obtain and pay for all permits, inspections, licenses and fees and shall furnish all bonds, security or deposits required to perform the Work in accordance with this Contract. Contractor shall advise Owner in writing and consult with Owner prior to applying for any permit or other authorization from, or entering into any agreement with, any governmental authority with regard to the Work.

(C) Contractor shall comply with Executive Order No. 11246, Executive Order No. 11701, the Vietnam Era Veteran's Readjustment Assistance Act of 1972 and the Rehabilitation Act of 1973, and all orders, rules and regulations promulgated thereunder (including, but not limited to, 41 CFR Part 60-1, 41 CFR Part 60-250 and 41 CFR Part 60-741), all as the same may have been or may be amended. The "equal opportunity clause" of 41 CFR Section 60-1.4(b), the "Affirmative Action Obligations for Disabled Veterans and Veterans of the Vietnam Era" clause of 41 CFR Section 60-250.4 and the Affirmative Action for Handicapped Workers" clause of 41 CFR Section 60-741.4 are incorporated herein by this reference. Contractor certifies that segregated facilities (within the meaning of 41 CFR Section 60-1.8) are not and will not be maintained or provided for Contractor's employees and that Contractor will not permit its employees to perform Work at any location under Contractor's control where segregated facilities are maintained. Contractor shall obtain a similar certification from any of its Support as required by 41 CFR Section 60-1.8.

GC-6. Cooperation and Coordination.

(A) Contractor acknowledges and anticipates that the Work may be interfered with and delayed from time to time on account of the concurrent performance of work by Owner or others. Contractor shall fully cooperate with Owner and others and

coordinate the Work with such other work so as to minimize any delay or hindrance of any work and to assure orderly and expeditious performance and completion of the Project as a whole.

(B) If any part of the Work depends upon the results of other work by Owner or others, Contractor shall, prior to commencing such Work, notify Owner in writing of any actual or apparent deficiencies or defects in such other work that render it unsuitable for performance of the Work in accordance with this Contract. Failure of Contractor to so notify owner shall constitute acceptance by Contractor of such other work as suitable for performance of the Work in accordance with this Contract, except as to latent defects which may subsequently be discovered in such other work.

GC-7. Inspection.

(A) Contractor shall perform such detailed examination, inspection and quality surveillance of the Work as will ensure that the Work is progressing and is being completed in strict accordance with this Contract. Further, Contractor shall determine when it is necessary to perform and shall perform, tests (in addition to those requested by Owner or required by this Contract) to verify its inspections and to ensure that the Work is being completed in strict accordance with this Contract. Contractor shall give Owner reasonable advance notice of all inspections and tests performed by Contractor. Contractor shall reimburse Owner for all costs incurred by or at the request of Owner to perform inspections and tests that reveal or otherwise indicate noncomplying or defective Work.

(B) All Work shall at all times be subject to inspection and testing by Owner. Contractor shall furnish Owner sufficient, safe and proper facilities and equipment at all times and at all places where inspections or tests may take place and all samples, drawings, specifications, data, lists, documents and other information for such inspections and tests as may be performed by Owner.

(C) No acceptance of any Work shall be construed to result from any inspections, tests or delays or failures to inspect or test by Owner. No inspection, test, delay or failure to inspect or test, or failure to discover any defect or noncompliance by Owner shall relieve Contractor of any of its obligations under this Contract or impair Owner's right to reject defective or noncomplying items or any other right or remedy afforded to Owner under this Contract or otherwise by law, notwithstanding Owner's knowledge of the defect or noncompliance or the substantiality or ease of its discovery of any defect or noncompliance

GC-8. Protection of Property and Persons.

(A) Contractor shall take all precautions which are necessary to prevent bodily harm to persons and damage to any property or environment in connection with performance of the Work. Without limiting the generality of the foregoing, Contractor shall erect and maintain such fences, barricades, signs, flags, flashers, excavation covers and other safeguards as are required. Contractor shall as necessary inspect all goods, materials, tools, equipment and other items to discover any conditions which involve a risk of bodily harm to persons or a risk of damage to any property or environment and shall be solely responsible for discovery and correction of, and protection against, any such conditions.

(B) Until completion and acceptance of all of the Work, Contractor shall be responsible for and shall bear any and all risk of loss, deterioration, theft, vandalism or destruction of or damage to the Work and anything used (or to be used or consumed) in connection with the Work unless such loss, theft, destruction or damage results from the sole negligence of Owner. Contractor shall provide storage and comply with all reasonable requests of Owner to enclose or otherwise protect the Work and anything used (or to be used or consumed) in connection with the Work.

(C) Unless otherwise specified in this Contract or directed in writing by Owner, all existing structures and other improvements damaged, altered or removed by Contractor or any of its Support in connection with the performance of the Work shall be repaired, replaced or otherwise restored by Contractor to at least as good quality and condition as existed prior to such damaging, alteration or removal. Contractor shall restore other areas affected by performance of the Work to at least the condition as existed prior to such performance. Contractor shall protect all land monuments and property marks from disturbance and damage and shall not remove the same without the prior written consent of Owner.

(D) Unless otherwise specified in this Contract or directed in writing by Owner, Contractor shall ensure that no utility (including all supply, disposal, distribution and communication systems, and all similar or related facilities, equipment and other property) is damaged, altered, removed or interrupted by Contractor or any of its Support in connection with the performance of the Work. Underground utilities shown in this Contract are shown only in their approximate locations because exact locations are unknown. Contractor shall perform all excavation and other Work which may affect any utility with utmost care so as to protect all utilities (whether or not shown in this Contract) from damage, alteration, removal and interruption. If Contractor requires the temporary shutoff of any utility, Contractor shall request Owner's approval thereof at least twenty-four (24) hours in advance of the time it requires the shutoff. Contractor shall perform the Work requiring the shutoff only after such approval has been obtained and on such days and at such hours as Owner may direct.

(E) Contractor shall ensure that the handling, transporting, storage and use of explosives in connection with the Work or this Contract is done only with the highest degree of care. Contractor shall give Owner at least three (3) working days advance written notice of each delivery, storage and use of explosives.

GC-9. Construction Schedule; Progress Reports.

(A) Upon Owner's request, Contractor shall submit to Owner for approval a detailed construction schedule (the "Construction Schedule") for the orderly performance and completion of all separable parts of the Work in accordance with this Contract. Contractor shall comply with the Construction Schedule approved by Owner.

(B) Contractor shall continuously update and keep current the Construction Schedule and shall furnish at least monthly to Owner periodic progress reports on the actual progress of the Work. Such progress reports shall include, but not be limited to, a copy of the updated Construction Schedule indicating progress to date and the duration of any delays occurring within the reporting period for which Contractor believes it is entitled under this Contract to an extension of the time for performance of the Work. Notwithstanding any other provision of this Contract to the contrary, the time for performance of the Work shall not be extended on account of any delay, nor shall the compensation under this Contract be increased on account of any delay,

unless Contractor includes a timely claim for such extension in the progress report covering the period of such delay. Contractor shall in any event promptly notify Owner in writing of any proposed changes in the Construction Schedule and of any event which could delay performance or supplying of any item of the Work and shall indicate the expected duration of the delay, the anticipated effect of the delay on the Construction Schedule and the action being taken to correct the delay situation.

GC-10. Warranty.

(A) Contractor warrants that: (i) the Work shall be performed in a workmanlike and skillful manner; (ii) the Work shall in all respects be of first-class quality, free from all faults and defects in workmanship, material, design (other than a defect in any design provided by Owner) and title, and (iii) the Work shall be in compliance with the requirements of this Contract; and (iv) all materials, equipment and other items incorporated (or to be incorporated) in the Work or consumed (or to be consumed) in the performance of the Work shall be new and of the most suitable grade for the purpose intended. Subject to extension pursuant to paragraph (B) below, this warranty shall continue until the expiration of the later of (i) one (1) year after acceptance by Owner of all of the work; or (ii) such longer period as may be specified elsewhere in this Contract. The period prior to the expiration of this warranty, as it may be from time to time extended in accordance with the provisions of this Contract, is sometimes referred to in this Contract as the "Warranty Period".

(B) If at any time during the Warranty Period Contractor receives from Owner written notice of any failure to comply with the warranty set forth in paragraph (A) above, Contractor shall promptly and at such times as Owner directs, satisfactorily correct such noncompliance and remedy any damage to other parts of the Work or any other property resulting from such noncompliance. The warranty period shall then be extended as to any corrected Work until the expiration of the later of (i) one (1) year after acceptance by Owner of the correction; or (ii) such longer period as may be specified elsewhere in this Contract. All costs incidental to such correction and remedying (including, but not limited to, the removal, replacement and reinstallation of equipment necessary to gain access and all other costs incurred as the result of the defect or noncompliance) shall be borne by Contractor.

GC-11. Drawings.

(A) The drawings included in this contract involve valuable property rights of Owner, shall remain the property of Owner and shall not be used or disclosed by Contractor for any purpose other than for performance of this Contract. Contractor shall furnish all drawings (including, but not limited to shop drawings) and other information required for performance of the Work (other than those furnished by Owner).

(B) Owner's review, notations, comments, changes, directions, approvals or granting or withholding authority to proceed with performance of the Work in connection with drawings submitted by Contractor shall not in any event: constitute or be construed as acceptance, verification or approval of any Work covered by such drawings; relieve Contractor of any obligations under this Contract; or impair Owner's right to reject defective or noncomplying Work or any right or remedy afforded to Owner under this Contract or otherwise by law, notwithstanding Owner's knowledge of any

defect or noncompliance or the substantiality or ease of discovery of any defect or noncompliance.

GC-12. Environmental Control.

Contractor shall take suitable measures and provide suitable facilities to prevent pollution, oil and chemical spills, soil erosion and the introduction of any substances or materials into any stream, river, lake or other body of water which may pollute or silt the water or constitute substances or materials deleterious to fish or wildlife. Further, Contractor shall use all reasonable efforts to maintain the site of the Work free from fugitive dust (i.e., dust that becomes airborne or visual). Contractor shall be responsible for all costs of corrective measures required as a result of any pollution, erosion or siltation, including its effects on adjacent properties. Without limiting the generality of the foregoing, Contractor shall comply with the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, and all of the rules, regulations and orders promulgated thereunder, all as the same have been or may be amended from time to time (e.g., in connection with the handling, processing, storage and disposal of any hazardous or toxic substance).

GC-13. Liens.

(A) Contractor shall promptly pay (and secure the discharge of any liens asserted by) all persons and entities (including, but not limited to, Contractor's Support) furnishing labor, equipment, materials or other items in connection with the performance of the Work. Contractor shall furnish to Owner such releases of claims and other documents as may be requested by Owner from time to time to evidence such payment (and discharge). Owner may withhold all or any part of the compensation otherwise payable under this Contract to Contractor until such documents are so furnished. If any of such persons or entities are not promptly paid (or if any of such liens are not promptly discharged), Owner may, at its option, make such payments (and secure such discharge) at Contractor's expense.

(B) Prior to final payment under this Contract, Contractor shall furnish Owner with proof satisfactory to Owner that all payments and claims for which Contractor is responsible under this Contract have been made or settled and with a release and waiver by Contractor of all claims against Owner and a release and waiver of all liens and rights of liens, arising out of or in connection with this Contract, the Work or any costs incurred or items furnished in connection therewith.

GC-14. Records.

(A) Until the expiration of three (3) years after final acceptance by Owner of all the Work, Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the Work or this Contract in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Contract provides for compensation on a cost-reimbursable basis or whenever such records may, in the opinion of Owner, be useful in determining any amounts payable to Contractor or Owner (e.g., in the nature of a refund, credit or otherwise), Contractor

shall provide Owner access to all such records for examination, copying and audit until the expiration of three (3) years after acceptance by Owner of all of the Work.

(B) Until the expiration of three (3) years after acceptance by Owner of all of the Work, Contractor shall keep and maintain for examination, copying and audit by Owner complete and accurate records with regard to the Work and this Contract, including but not limited to (a) records of the receipt, possession, storage, use, consumption, installation incorporation or disposition of all materials, tools, equipment, goods, information, drawings, specifications, data, and other items received, possessed, stored, used, consumed, installed, incorporated or disposed of in connection with the Work or this Contract, and (b) Contractor's agreements with its Support, specifications, drawings, bills of lading and shipping documents. Until the expiration of three (3) years after acceptance by Owner of all of the Work, Contractor shall provide Owner access at all reasonable times to all such records for examination, copying and audit.

GC-15. Rights in Property.

(A) All materials, information, property and other items accumulated or developed in connection with the Work (including, but not limited to, documents, drawings, plans, specifications, designs, calculations, maps, sketches, notes reports, data, estimates, models, samples, completed Work and Work in progress), together with all rights associated with ownership of such items (such as copyright and patent rights), shall become the property of Owner when so accumulated or developed, whether or not delivered to Owner. Contractor shall deliver such items, together with all materials, information, property and other items furnished by Owner or the cost of which is included in the compensation payable under this Contract, to Owner upon request and in any event upon the completion, termination or cancellation of this Contract.

(B) Contractor grants to Owner a permanent, assignable, nonexclusive, royalty-free license to use all concepts, methods, processes, products, writings and other items (whether or not copyrightable or patentable) furnished, developed or first reduced to practice in connection with the Work. If requested by Owner, Contractor shall, at Owner's expense, do all things necessary or convenient to obtain patents or copyrights on any concepts, methods, processes, products, writings or other items furnished, developed or first reduced to practice in connection with the Work, to the extent that same may be patented or copyrighted.

(C) Contractor shall not, without the prior written consent of Owner, disclose to third parties any information accumulated or developed in connection with the Work unless: (i) the information was known to Contractor prior to the date of this Contract; (ii) the information is in the public domain at the time of disclosure by Contractor; or (iii) the information is received by Contractor from a third party who did not receive the same directly or indirectly from Owner or in connection with the Work. If so requested by Owner, Contractor shall obtain from its Support nondisclosure agreements in form and content satisfactory to Owner.

GC-16. Payments.

(A) At the end of each calendar month or as soon thereafter as practicable, Contractor shall submit to Owner Contractor's estimate of that portion of the compensation under this Contract which is allocable to that portion of the Work satisfactorily completed as of the end of such month, plus Contractor's cost of materials

and equipment properly stored at the site of the Work for consumption or incorporation in the Work, provided that such estimate shall not include any amounts for Work added by any change under GC-21 until the adjustment in compensation therefor under (B) of GC-21 has been incorporated in a written instrument signed by Owner and Contractor. Each of Contractor's estimates shall set forth in a detailed and clear manner a complete description of all Work for which Contractor is entitled to compensation pursuant to this Contract and shall be supported by such receipts, documents and other information as Owner may reasonably request from time to time. The submittal of such an estimate by Contractor shall constitute a representation by Contractor that the Work described therein has been performed in accordance with this Contract and that Contractor is entitled to payment under this Contract in the amount estimated. Subject to retention and withholding, Owner shall make a progress payment to Contractor within thirty (30) days after Owner's receipt and approval of each of Contractor's estimates equal to the amount of such estimate, less the total of all amounts previously paid or credited (e.g., as retention) to Contractor.

(B) In making the progress payment described in (A) above, ten percent (10%) of each such payment may be retained by Owner until acceptance by Owner of all of the Work. However, if after fifty percent (50%) of the Work has been completed Owner determines that satisfactory progress has been made, Owner may reduce the amount of retention on any remaining progress payments; provided that Owner may reinstate the full ten percent (10%) retention at any time.

(C) Payments otherwise payable under this Contract may be withheld, in whole or in part, by Owner on account of (i) the failure of Contractor to correct defective or noncomplying Work; (ii) the failure of Contractor to cure any failure to comply with any of the provisions of this Contract; (iii) the failure of Contractor to pay, satisfy or discharge any claim (or potential claim which reasonable evidence indicates may be filed) of Owner, any of Contractor's Support or any other person against Contractor arising out of or in connection with this Contract or the Work; or (iv) a reasonable doubt that this Contract can be completed within the time specified or for the balance then unpaid. If the foregoing causes are removed to the satisfaction of Owner, the withheld payments shall promptly be made. If such causes are not promptly removed after written notice, Owner may (but need not) rectify the same at Contractor's expense and deduct all costs and expenses incurred thereby from such withheld payments. If such withheld payments are insufficient to satisfy the same or if any claim against Contractor shall be discharged by Owner after final payment is made, Contractor shall promptly reimburse and pay to Owner all costs and expenses incurred thereby (including, but not limited to, reasonable attorneys' fees), regardless of when such claim arose or whether such claim imposed a lien upon the Work or the real property upon which the Work is situated.

(D) Contractor shall reimburse Owner on demand for all amounts paid and costs incurred by Owner at Contractor's expense under this Contract or otherwise. Owner may, at its option, apply any amounts payable under this contract against any amounts now or hereafter owing by Contractor to Owner under this Contract or otherwise.

(E) Except as specifically provided otherwise in this Contract, no separate or additional compensation or payment will be made for or on account of any of the requirements of these General Conditions, the Special Conditions, the Technical Specifications, the Drawings, or any other provision of this Contract, and the cost thereof will be considered as included in the prices set forth in the Schedule of Bid Prices.

(F) Contractor shall submit to Owner breakdowns of the compensation payable to Contractor under this Contract that segregate such compensation into the dollar

amounts corresponding to such categories as Owner may specify as necessary to conform to Owner's accounting requirements or to comply with the accounting requirements of governmental authorities. Unless otherwise directed by Owner, Contractor shall submit such segregations with respect to the compensation covered by each Contractor's estimate under (A) above as part of such estimate. If requested by Owner, Contractor shall submit to Owner for Owner's budgetary purposes an estimated breakdown of the total compensation payable under this Contract segregated according to such categories, together with an estimated schedule of progress payments to Contractor that would result from such breakdown.

GC-17. Taxes.

Except as otherwise required by law, Contractor shall be responsible for, bear the expense of and pay all taxes, excises, levies, duties and assessments applicable to or incurred in connection with the Work or this Contract, including but not limited to, all taxes now or **hereafter** imposed on Contractor by any federal, state, county or other governmental authority or agency, based on or measured by the sale or use of the material, equipment, or services covered hereby, or by the gross receipts from this transaction (such as the Washington State business and occupation tax) or any allocated portion thereof, or by the gross value of the material, equipment or services covered hereby, or by any other lawfully imposed method.

GC-18. Insurance.

(A) Contractor shall ensure that, with respect to all persons performing the Work, Contractor or its Support maintain in effect at all times during the performance of the Work coverage or insurance in accordance with the applicable laws relating to workers compensation and employer's liability insurance (including, but not limited to, the Washington Industrial Insurance Act), regardless of whether such coverage or insurance is mandatory or merely elective under the law.

(B) Contractor shall secure and maintain such property and liability insurance as will protect Contractor, its Support and the Additional Insureds from and against any and all claims and liabilities arising out of personal injury (including death) or property damage that may result from performance of the Work, whether such performance is by Contractor or any of its Support.

(C) Without limiting the generality of the foregoing, prior to commencement of the Work, Contractor shall secure insurance with provisions, coverages and limits substantially as specified elsewhere in this Contract and in the certificate of insurance (with endorsement) attached hereto. Contractor or its Support shall maintain such insurance and coverages in full force and effect at all times (i) until all of Contractor's obligations under this Contract have been fully performed, all of the Work has been accepted by Owner and all operations of Contractor and its Support (including, but not limited to, removal of equipment and other property) on or about the site of the Work have been concluded and (ii), in the case of completed operations and products liability insurance, until the expiration of two (2) years after all of Contractor's obligations under this Contract have been fully performed.

(D) Prior to commencement of the Work and at such other times as Owner may request, Contractor shall deliver to Owner certificates of insurance (with endorsements attached) as evidence that policies providing insurance required by this Contract are in

full force and effect. Contractor shall also furnish Owner with such additional assurance and evidence of such insurance (such as copies of all insurance policies, certified by an authorized representative of the insurer) as Owner may from time to time request.

(E) Within thirty (30) days after any renewal of or any notice of termination, cancellation, expiration or alteration of any policy of insurance required under this Contract, Contractor shall deliver to Owner a certificate of insurance with respect to any renewal or replacement policy. Such certificate of insurance with respect to any renewal or replacement policy shall be delivered to Owner prior to the effective date of such renewal, termination, cancellation, expiration or alteration, as the case may be.

(F) All policies of insurance required under this Contract shall: (a) be placed with such insurers and under such forms of policies as may be acceptable to Owner; (b) with the exception of worker's compensation and employer's liability insurance, be endorsed to name the Additional Insureds as additional insureds; (c) be primary insurance with respect to the interests of the Additional Insureds and any insurance or self-insurance maintained by any of the Additional Insureds shall be excess with respect to the insurance required hereunder; (d) with the exception of workers' compensation and employer's liability insurance, apply severally and not collectively to each insured against whom any claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase the insurance company's limits of liability as set forth in the insurance policy; and (e) provide that the policies shall not be cancelled or their limits or coverage reduced or restricted without giving at least 30 days prior written notice to the Contract Services Department of Puget Sound Power & Light Company, P.O. Box 90868, Bellevue, WA 98009-0868.

(G) Contractor shall ensure that any policies of insurance that Contractor or any of its Support carry as insurance against loss of or damage to property (including, but not limited to, tools, equipment, vehicles, watercraft and aircraft) or against liability for property damage or personal injury shall include a waiver of the insurer's right of subrogation against, or name as additional insureds, the Additional Insureds. To the extent permitted by its insurance policies, Contractor hereby waives all rights of subrogation against the Additional Insureds.

(H) The requirements of this Contract as to insurance and acceptability to Owner of insurers and insurance to be maintained by Contractor and its Support are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Contractor under this Contract.

GC-19. Surety Bonds.

In addition to all other bonds that are required by this Contract (if any), Contractor shall furnish to Owner, at such times and in such amount, form and content as Owner may in writing request, surety bonds issued by a surety acceptable to Owner with performance, payment, fidelity and maintenance clauses payable to Owner, in which case the premiums for such bonds shall be paid by Owner.

GC-20. Indemnity and Release.

(A) Subject to the limitations set forth in paragraph (B) below, Contractor releases and shall defend, indemnify and hold harmless the Additional Insureds and each of

them from and against all claims, losses, harm, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) arising, whether before or after acceptance of the Work and whether suffered by any of the Additional Insureds or any other person or entity, directly or indirectly out of or in connection with: (a) any defect in the Work; (b) any fault, negligence, strict liability or product liability of Contractor or its Support in connection with the Work or this Contract; (c) any lien asserted upon any property of any of the Additional Insureds in connection with the Work or this Contract; (d) any failure of Contractor, any Support or the Work to comply with any applicable law, ordinance, rule, regulation, order, license, permit and other requirement, now or hereafter in effect, of any governmental authority; or (e) any failure of Contractor or any Support to comply with the requirements of this Contract; or (f) any breach of or default under this Contract by Contractor.

(B) To the fullest extent permitted by applicable law, the provisions of paragraph (A) above shall apply regardless of any fault, negligence, strict liability or product liability of the Additional Insureds. However, paragraph (A) above shall not require Contractor to indemnify the Additional Insureds against any liability for damages arising out of bodily injury or property damage caused by or resulting from the sole negligence of the Additional Insureds. Further, in the case of concurrent negligence of Contractor and/or any Support on the one hand and the Additional Insureds on the other hand, Contractor shall be required to indemnify the Additional Insureds only to the extent of the negligence of the Contractor and/or the Support.

(C) IN CONNECTION WITH ANY ACTION TO ENFORCE CONTRACTOR'S OBLIGATIONS UNDER PARAGRAPH (A) ABOVE, CONTRACTOR WAIVES ANY IMMUNITY, DEFENSE OR PROTECTION UNDER ANY WORKERS' COMPENSATION, INDUSTRIAL INSURANCE OR SIMILAR LAWS (INCLUDING, BUT NOT LIMITED TO, THE WASHINGTON INDUSTRIAL INSURANCE ACT, TITLE 51, OF THE REVISED CODE OF WASHINGTON).

(D) Contractor releases and shall defend, indemnify and hold harmless the Additional Insureds and each of them from and against all claims, losses, harm, costs, liabilities, damages, expenses (including, but not limited to, reasonable attorneys' fees), and royalties based upon any actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark or other intellectual property right by any Work. Further, if any Work infringes or misappropriates any patent, copyright, trade secret, trademark or other intellectual property right, Contractor shall either: (a) procure for Owner the right to use such Work; (b) replace such Work with substantially equal Work that does not infringe or misappropriate any such right; or (c) modify such Work so that it no longer infringes or misappropriates any such right.

(E) The provisions of this Contract providing for limitation of or protection against liability of Owner shall be deemed to also protect each of the Additional Insureds.

GC-21. Changes.

(A) Owner may, at any time, by written notice thereof to Contractor ("Change Order") make changes in the Work within the general scope of this Contract, including, but not limited to: (i) changes in, substitutions for, additions to or deletions of any Work; (ii) changes in the specifications or drawings; (iii) changes in schedule or acceleration, deceleration or suspension of performance of any Work; and (iv) changes in the location, alignment, dimensions or design of items included in the Work.

(B) If any change under this GC-21 causes an increase or decrease in Contractor's cost of, or the time required for, the performance of any part of the Work, an equitable adjustment in the compensation to Contractor and in the schedule for the performance of the Work shall be made to reflect such increase or decrease, and this Contract shall be modified in writing accordingly. Such equitable adjustment shall constitute full compensation to Contractor for such change, and Contractor shall not include such change in any other claim for increased compensation or extension of time.

(C) Notwithstanding any dispute or delay in reaching agreement or arriving at a mutually acceptable equitable adjustment, Contractor shall, if so requested by Owner, immediately proceed in accordance with such Change Order. If Contractor intends to assert a claim for an equitable adjustment in schedule or compensation for a change, Contractor must, within ten (10) days after receipt of any Change Order which does not set forth an acceptable adjustment, submit to Owner a written statement setting forth the basis and nature of the adjustment claimed. Contractor shall not be entitled to any adjustment unless such statement is submitted by Contractor to Owner within the applicable ten (10) day period.

(D) If any change results in a decrease in the Work to be performed, Contractor shall not be entitled to anticipated profit on Work not performed and the loss of anticipated profit shall not reduce the decrease in Contractor's compensation resulting from such change. Further, Contractor shall not be entitled to any reallocation of cost, profit or overhead. Contractor shall not be entitled under this GC-21 to any increase in compensation or extension of schedule to the extent that (i) any change under this GC-21 would have been made or required due to any cause or requirement for which Contractor is not entitled to such increase or extension, or (ii) such increase or extension is provided for or excluded under any provision of this Contract.

GC-22. Optional Termination.

(A) Owner may, at its option, terminate this Contract as to all, or from time to time as to any portion, of the Work not then performed at any time by written notice thereof to Contractor, whether or not Contractor is in default. Upon receipt of any written notice of termination. Contractor shall for that Work affected by such termination:

(i) discontinue work on the date and to the extent specified in the notice;

(ii) place or enter into no further agreements with its Support for materials, equipment, services or facilities, except as may be necessary for completion of such portion of the Work as is not terminated;

(iii) transfer title and deliver to Owner as directed by Owner all or any part of (a) the materials, Work in progress and completed Work and other items produced as a part of, or acquired in connection with, the performance of the Work terminated, and (b) the completed or partially completed plans, drawings, information and other property which, if this Contract had been completed, would have been required to be furnished to Owner;

(iv) assist Owner in making an inventory of all materials and equipment at the site of the Work, en route to the site of the Work, in storage or manufactured away from the site of the Work and on order from Contractor's Support;

(v) remove from the site of the Work all materials and equipment listed in said inventory which are designated in writing by Owner not to be used by Owner in completing such Work;

(vi) as directed by Owner, either terminate or assign to Owner all or any part of the right, title and interest of Contractor under Contractor's agreements with its Support to the extent relating to Work as to which this Contract is terminated (Contractor shall include the right to make such assignments in all such agreements);

(vii) settle, with the prior written approval of Owner, all outstanding liabilities and all claims arising out of the termination directed by Owner of agreements with Contractor's Support;

(viii) use its best efforts to minimize its cost and expenses due to such termination;

(ix) complete performance of such part of the Work as shall not have been terminated; and

(x) take such action as may be necessary, or as Owner may direct, for the protection and preservation of the property related to this Contract which is in the possession of Contractor or its Support or is at the site of the Work or in transit thereto, and in which Owner has or may acquire an interest.

(B) After receipt of any written notice of termination. Contractor shall submit to Owner Contractor's termination claim for amounts claimed pursuant to paragraph (C) below, in the form and with the certification prescribed by Owner. Such claim shall be submitted promptly but in no event later than two (2) months after the effective date of termination. If Contractor fails to submit its termination claim within the time allowed, Owner may determine on the basis of information available to it the amount, if any, due Contractor by reason of the termination, and such determination shall be final. After Owner has made a determination under this paragraph (B), Owner shall pay or credit to Contractor the amount so determined, which payment or credit shall be deemed to satisfy all claims of Contractor against Owner by reason of such termination.

(C) Upon any termination pursuant to this GC-22, Contractor agrees to waive any and all claims for additional compensation or damages (including any claim for loss of anticipated profit) on account thereof, and agrees that the sole remedy of Contractor is to receive payment or credit in accordance with this paragraph (C). Upon such termination Contractor shall be entitled to be paid or credited that portion of the compensation otherwise payable under this Contract which is allocable to all Work satisfactorily performed, together with Contractor's actual reasonable costs occasioned by such termination and not previously paid for, less the aggregate amount of any compensation previously paid to Contractor under this Contract. In no event, however, shall Contractor be entitled under this GC-22 to be paid or credited an amount in excess of Contractor's actual reasonable costs occasioned by such termination plus the total compensation otherwise payable under this Contract reduced by the aggregate amounts of all compensation paid to Contractor under this Contract and further reduced by that portion of the total compensation under this Contract which is allocable to Work with regard to which this Contract is not so terminated. In arriving at the amount due Contractor under this paragraph (C), Contractor shall not be entitled to anticipated profit on Work not performed or to any reallocation of cost, profit or overhead. Owner shall in no event be liable for any loss of revenue or profit incurred by Contractor or any of the Support as a result of the termination. Further, there shall be deducted (i) all unliquidated advance or other payments on account theretofore made to Contractor applicable to the terminated portion of this Contract, (ii) any claim which

Owner may have against Contractor in connection with this Contract, and (iii) the agreed price for, or the proceeds of sale of, any materials, supplies or other things kept by Contractor or sold, pursuant to this GC-22, and not otherwise recovered by or credited to Owner. Contractor shall promptly refund to Owner any amounts previously paid to Contractor in excess of the amount due Contractor under this paragraph (C).

(D) In the event of any termination pursuant to this GC-22, Owner may at its option take over the Work as to which this Contract is terminated and prosecute the same to completion, by contract or otherwise.

(E) Exercise or failure of Owner to exercise any of its rights under this GC-22 shall not excuse Contractor from compliance with the provisions of this Contract nor prejudice rights of Owner to recover damages for any default by Contractor. Whether or not Contractor's right to proceed with the Work is terminated, Contractor and its sureties shall be liable for any costs, expenses or damages to Owner resulting from Contractor's default. The rights and remedies of Owner provided in this GC 22 are in addition to any other rights and remedies provided by law or under this Contract.

(F) If Owner purports to terminate or cancel this Contract as to all or any portion of the Work for Contractor's breach or default and it is determined for any reason that Contractor was not in breach or default which would permit such termination or cancellation, such termination or cancellation shall be deemed to have been a termination pursuant to this GC-22 and the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to this GC-22.

GC-23. Use of Completed Portions of Work.

(A) Owner may, by written notice thereof to Contractor, take possession of or use of any completed or partially completed portion of the Work at any time prior to acceptance of all of the Work. Immediately prior to Owner's using or taking possession, a joint inspection by representatives of Owner and Contractor shall be conducted to determine the condition and state of completion of the Work involved.

(B) Such possession or use by Owner shall not (i) constitute an acceptance of any part of the Work, (ii) relieve Contractor of any risk of loss, deterioration, theft, vandalism, destruction or damage, (iii) relieve Contractor of any requirements of this Contract, or (iv) act as a waiver by Owner of any of the requirements of this Contract; provided that Contractor shall not be liable for the cost of repairs, rework, or replacements which may be required due to ordinary wear and tear resulting from such use. However, if such possession or use increases Contractor's cost of, or time required for, completion of the remaining portions of the Work, Contractor shall be entitled to an equitable adjustment in the compensation to Contractor and in the schedule for the performance of the Work to reflect such increase, and this Contract shall be modified in writing accordingly; provided, that Contractor shall not be entitled to any adjustment in compensation or schedule for such possession or use unless Contractor gives Owner prompt written notice that such possession or use will increase Contractor's cost of, or the time required for, performance of the Work. Further, Owner may, by written notice thereof to Contractor, relieve Contractor of the duty of maintaining and protecting certain portions of the Work which have been completed in all respects in accordance with the requirements of this Contract.

(C) Nothing contained in this GC-23 shall relieve Contractor of any of its obligations to correct, repair, replace or otherwise be responsible for defective or noncomplying Work.

GC-24. Owner's Performance of Contractor's Obligations.

(A) If Owner directs Contractor to correct noncomplying or defective Work or to otherwise comply with the requirements of this Contract, and Contractor thereafter fails to comply or indicates its inability or unwillingness to comply, then Owner may correct (or cause to be corrected) the noncompliance or defect or otherwise achieve compliance by the most expeditious means available to it (by contract or otherwise) and charge to or otherwise recover (for example, by offset against the compensation otherwise payable under this Contract) from Contractor all costs thereof.

(B) Owner's rights to make corrections, achieve compliance and charge to or otherwise recover from Contractor the costs thereof are in addition to any and all other rights and remedies available to Owner under this Contract or otherwise by law, and shall in no event be construed or interpreted as obligating Owner to make any correction of defective or noncomplying Work or to otherwise achieve compliance with this Contract. Further, Contractor's obligations (including warranty) shall not be interpreted or construed as being reduced in any way because of any corrections or other work performed or caused to be performed by Owner or Owner's rights to perform the same.

GC-25. Claims, Questions, Conflicts, Inconsistencies and Ambiguities; Protest; Waiver.

(A) Any claim of Contractor for damages, additional compensation, or extension of time, whether under this Contract or otherwise, against Owner, shall be conclusively deemed to have been waived by Contractor unless a timely written claim therefor is made pursuant to and in strict accordance with the applicable provisions of this Contract, or, if no such provisions is applicable, unless such claim is set forth in detail in writing and filed with Owner within thirty (30) days after the facts upon which such claim is based become known or should have become known to Contractor.

(B) Without limiting the generality of the foregoing and except as otherwise specifically provided for elsewhere in this Contract, any claim of Contractor and any question of Contractor related to or arising in connection with performance of all or any part of the Work or this Contract, coordination of the Work, compensation, schedule or interpretation, construction or clarification of this Contract shall be promptly submitted by Contractor in writing to Owner for determination. If Contractor is apprised or otherwise becomes aware of or has reason to know of, any conflict, discrepancy or inconsistency between or among, or any ambiguity, error or omission in any of the requirements of this Contract, Contractor shall immediately notify Owner thereof for instruction, direction, resolution or clarification as the case may be. Contractor shall be fully and solely responsible for requesting all directions, instructions, interpretations, constructions, clarifications and resolutions necessary or appropriate to ensure performance of the Work in accordance with this Contract and for any and all claims, losses, harm, costs, damages and expenses resulting from its failure to do so.

(C) All determinations, interpretations, constructions, clarifications, resolutions, instructions and directions of Owner, whether in response to a question of Contractor

or otherwise, shall be final unless Contractor shall, within fourteen (14) days after Owner gives Contractor notice of any such determination, interpretation, construction, clarification, resolution, instruction or direction, file with Owner a written protest thereto, setting forth in a detailed and clear manner the basis of such protest. Owner shall issue a decision, which shall be final, upon each such protest.

(D) Notwithstanding any protest or disagreement, Contractor shall in any event proceed with performance of the Work and the Contract in accordance with the determination, interpretation, construction, clarification, resolution, instruction and direction of Owner. Contractor's failure to protest or otherwise follow and exhaust the procedures set forth in this paragraph (C) shall constitute a waiver by Contractor of its rights to further protest, to claim damages, additional compensation or extension of time or to pursue judicial procedures or remedies with respect to such determination, interpretation, construction, clarification, resolution, direction, protest or decision.

GC-26. Assignment; Successors.

(A) Contractor shall not assign (e.g., by contract, operation of law or otherwise) all or any part of this Contract or any of its rights hereunder, or subcontract any of the Work, without the prior written consent of Owner. For purposes of the foregoing, any transfer of a controlling interest in Contractor (e.g. by a transfer of securities or otherwise) shall be deemed to be an assignment of this Contract. No assignment or subcontracting shall relieve Contractor from its responsibility for performance of the Work in accordance with this Contract or from its responsibility for performance of any of its other obligations under this Contract. Contractor shall be fully responsible for the acts, omissions, conduct and performance of the Support.

(B) If Contractor is composed of more than one person or entity, each such person or entity shall be jointly and severally liable under this Contract. This Contract shall be fully binding upon Contractor and its successors, assigns and legal representatives.

GC-27. Notices.

Any notice, request, approval consent, order, instruction, direction or other communication under this Contract given by either party to the other party shall be in writing and shall be delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below the parties' respective signatures on the Contract for Construction. Either party may from time to time change such address by giving the other party notice of such change in accordance with the provisions of this GC-27.

GC-28. Survival.

GC-10, GC-14, GC-15, and GC-20 (and all provisions of this Contract which may reasonably be interpreted or construed as surviving the completion, cancellation or termination of this Contract) shall survive the completion, cancellation or termination of this Contract.

GC-29. Examination of Contract and Site.

(A) Contractor represents and acknowledges that it has carefully examined this Contract and the site of the Work and that it has satisfied itself as to (and the Contractor shall have, and does hereby assume, full and sole responsibility for) the nature, location, character, quality and quantity of the Work and all requirements of this Contract, as well as the conditions and other matters that may be encountered at the site of the Work or affect performance of the Work or the cost or difficulty thereof, including but not limited to those conditions and matters affecting: transportation, access, disposal, handling and storage of materials, equipment and other items; availability and quality of labor, water, electric power and utilities; availability and condition of roads; climatic conditions and seasons; physical conditions at the site of the Work and the surrounding locality; topography and ground surface conditions; potential water and air pollution conditions; subsurface geology and the nature and quantity of surface and subsurface materials to be encountered; and equipment and facilities needed preliminary to and at all times during the performance of the Work. The failure of Contractor to fully acquaint itself with any applicable condition or matter shall not in any way relieve it from the responsibility for performing the Work in accordance with, and for the compensation provided for in, this Contract.

GC-30. Nonwaiver.

Owner's failure or delay to insist upon strict performance of any of the provisions of this Contract, to exercise any rights or remedies provided under this Contract or by law, or to notify Contractor in the event of breach or default under this Contract, as well as the making of, or failure or delay to make any test or inspection of any Work or the making of any acceptance of or payment for any Work, shall not release or relieve Contractor from any of its obligations or warranties under this Contract and shall not be deemed a waiver of any right of Owner to insist upon strict performance of this Contract or any of the rights or remedies of Owner as to any Work; nor shall any purported oral modification or rescission of this Contract by Owner operate as a waiver of any of the provisions of this Contract.

GC-31. Entire Agreement.

(A) This Contract embodies the entire agreement, and supersedes any and all prior agreements, between Owner and Contractor regarding the Work. No change, amendment or modification of any of the provisions of this Contract shall be valid unless set forth in a written instrument signed by the party to be bound thereby.

(B) This Contract shall be construed as a whole. The misplacement, addition or omission of a word or character shall not change the intent of any part of this Contract from that set forth by this Contract as a whole. All provisions and parts of this Contract are intended to be correlative and complementary, and any Work required by one and not mentioned in another shall be performed to the same extent and purpose as though required by all. Details of the Work which are necessary to carry out the intent of this Contract, but which are not expressly required, shall be performed or furnished by Contractor as part of the Work without any increase in the compensation otherwise payable under this Contract.

(C) The rights and remedies of Owner set forth in any provision of this Contract are in addition to and do not in any way limit any other rights or remedies afforded to Owner by any other provisions of this Contract, by any of Contractor's Support or by law.

GC-32. Applicable Law; Forum Selection.

(A) This Contract, and all questions concerning the capacity of the parties, execution, validity (or invalidity), and performance of this Contract, shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington, U.S.A. without reference to its rules relating to choice of law.

(B) Contractor shall not commence or prosecute any suit, proceeding or claim to enforce the provisions of this Contract, to recover damages for breach of or default under this Contract, or otherwise arising under or by reason of this Contract, other than in the courts of the State of Washington or the District Court of the United States, Western Division, State of Washington. Contractor hereby irrevocably consents to the jurisdiction of the courts of the State of Washington with venue laid in King County and of the District Court of the United States, Western Division, State of Washington.