

# UNITED THERAPEUTICS CORP

## FORM 10-Q (Quarterly Report)

Filed 5/4/2007 For Period Ending 3/31/2007

|             |                                                 |
|-------------|-------------------------------------------------|
| Address     | 1110 SPRING ST<br>SILVER SPRING, Maryland 20910 |
| Telephone   | 301-608-9292                                    |
| CIK         | 0001082554                                      |
| Industry    | Biotechnology & Drugs                           |
| Sector      | Healthcare                                      |
| Fiscal Year | 12/31                                           |

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.**

For the quarterly period ended March 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-26301

**United Therapeutics Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**52-1984749**

(I.R.S. Employer  
Identification No.)

**1110 Spring Street, Silver Spring, MD**  
(Address of Principal Executive Offices)

**20910**  
(Zip Code)

**(301) 608-9292**

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the issuer's common stock, par value \$.01 per share, as of April 27, 2007 was 20,782,575.

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## INDEX

|                   |                                                                                       | <u>Page</u> |
|-------------------|---------------------------------------------------------------------------------------|-------------|
| <b>Part I.</b>    | <b>FINANCIAL INFORMATION (UNAUDITED)</b>                                              |             |
| Item 1.           | Consolidated Financial Statements                                                     | 1           |
|                   | Consolidated Balance Sheets                                                           | 1           |
|                   | Consolidated Statements of Operations                                                 | 2           |
|                   | Consolidated Statements of Cash Flows                                                 | 3           |
|                   | Notes to Consolidated Financial Statements                                            | 4           |
| Item 2.           | Management's Discussion and Analysis of Financial Condition and Results of Operations | 13          |
| Item 3.           | Quantitative and Qualitative Disclosures About Market Risk                            | 28          |
| Item 4.           | Controls and Procedures                                                               | 29          |
| <b>Part II.</b>   | <b>OTHER INFORMATION</b>                                                              |             |
| Item 1A.          | Risk Factors                                                                          | 30          |
| Item 2.           | Unregistered Sales of Equity Securities and Use of Proceeds                           | 47          |
| Item 6.           | Exhibits                                                                              | 48          |
| <b>SIGNATURES</b> |                                                                                       | 49          |

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**PART I. FINANCIAL INFORMATION**

**Item 1. Consolidated Financial Statements**

**UNITED THERAPEUTICS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

|                                                                                                                                                                                                                                                              | March 31,<br>2007<br>(Unaudited) | December 31,<br>2006 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------|
| <b>Assets</b>                                                                                                                                                                                                                                                |                                  |                      |
| Current assets:                                                                                                                                                                                                                                              |                                  |                      |
| Cash and cash equivalents                                                                                                                                                                                                                                    | \$ 67,851                        | \$ 91,067            |
| Marketable investments                                                                                                                                                                                                                                       | 103,364                          | 136,682              |
| Accounts receivable, net of allowance of \$1 for 2007 and \$1 for 2006                                                                                                                                                                                       | 19,009                           | 22,453               |
| Inventories, net                                                                                                                                                                                                                                             | 12,323                           | 12,047               |
| Other receivable                                                                                                                                                                                                                                             | 2,009                            | 1,581                |
| Interest receivable                                                                                                                                                                                                                                          | 2,000                            | 1,545                |
| Due from affiliate                                                                                                                                                                                                                                           | 48                               | 66                   |
| Prepaid expenses                                                                                                                                                                                                                                             | 8,181                            | 9,242                |
| Deferred tax assets                                                                                                                                                                                                                                          | 4,136                            | 2,691                |
| Total current assets                                                                                                                                                                                                                                         | 218,921                          | 277,374              |
| Marketable investments                                                                                                                                                                                                                                       | 42,963                           | 36,414               |
| Marketable investments and cash—restricted                                                                                                                                                                                                                   | 38,232                           | 38,988               |
| Goodwill, net                                                                                                                                                                                                                                                | 7,465                            | 7,465                |
| Other intangible assets, net                                                                                                                                                                                                                                 | 2,985                            | 3,140                |
| Property, plant, and equipment, net                                                                                                                                                                                                                          | 42,071                           | 34,681               |
| Investments in affiliates                                                                                                                                                                                                                                    | 5,091                            | 4,700                |
| Notes receivable from affiliate and employee                                                                                                                                                                                                                 | 39                               | 27                   |
| Deferred tax assets                                                                                                                                                                                                                                          | 69,216                           | 65,308               |
| Other assets                                                                                                                                                                                                                                                 | 9,283                            | 8,874                |
| Total assets                                                                                                                                                                                                                                                 | <u>\$ 436,266</u>                | <u>\$ 476,971</u>    |
| <b>Liabilities and Stockholders' Equity</b>                                                                                                                                                                                                                  |                                  |                      |
| Current liabilities:                                                                                                                                                                                                                                         |                                  |                      |
| Accounts payable                                                                                                                                                                                                                                             | \$ 4,961                         | \$ 2,843             |
| Accounts payable to affiliates and related parties                                                                                                                                                                                                           | 6                                | 250                  |
| Accrued expenses                                                                                                                                                                                                                                             | 13,814                           | 15,265               |
| Current portion of notes and leases payable                                                                                                                                                                                                                  | 11                               | 10                   |
| Other current liabilities                                                                                                                                                                                                                                    | 436                              | 882                  |
| Total current liabilities                                                                                                                                                                                                                                    | 19,228                           | 19,250               |
| Notes and leases payable, excluding current portion                                                                                                                                                                                                          | 250,011                          | 250,015              |
| Other liabilities                                                                                                                                                                                                                                            | 4,675                            | 3,100                |
| Total liabilities                                                                                                                                                                                                                                            | 273,914                          | 272,365              |
| Common stock subject to repurchase                                                                                                                                                                                                                           | 10,882                           | —                    |
| <b>Commitments and contingencies</b>                                                                                                                                                                                                                         |                                  |                      |
| <b>Stockholders' equity:</b>                                                                                                                                                                                                                                 |                                  |                      |
| Preferred stock, par value \$.01, 10,000,000 shares authorized, no shares issued                                                                                                                                                                             | —                                | —                    |
| Series A junior participating preferred stock, par value \$.01, 100,000,000 authorized, no shares issued                                                                                                                                                     | —                                | —                    |
| Common stock, par value \$.01, 100,000,000 shares authorized, 25,126,356 and 24,632,153 shares issued at March 31, 2007 and December 31, 2006, respectively, and 20,744,759 and 21,475,078 outstanding at March 31, 2007 and December 31, 2006, respectively | 251                              | 246                  |
| Additional paid-in capital                                                                                                                                                                                                                                   | 425,799                          | 408,804              |
| Accumulated other comprehensive income                                                                                                                                                                                                                       | 1,180                            | 1,476                |
| Treasury stock at cost, 4,381,597 and 3,157,075 shares at March 31, 2007 and December 31, 2006, respectively                                                                                                                                                 | (231,619)                        | (164,560)            |
| Accumulated deficit                                                                                                                                                                                                                                          | (44,141)                         | (41,360)             |
| Total stockholders' equity                                                                                                                                                                                                                                   | 162,352                          | 204,606              |
| Total liabilities and stockholders' equity                                                                                                                                                                                                                   | <u>\$ 436,266</u>                | <u>\$ 476,971</u>    |

See accompanying notes to consolidated financial statements.

**UNITED THERAPEUTICS CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

|                                                               | <b>Three Months Ended<br/>March 31,</b> |                 |
|---------------------------------------------------------------|-----------------------------------------|-----------------|
|                                                               | <b>2007</b>                             | <b>2006</b>     |
|                                                               | <b>(Unaudited)</b>                      |                 |
| <b>Revenues:</b>                                              |                                         |                 |
| Net product sales                                             | \$ 38,407                               | \$ 31,620       |
| Service sales                                                 | 1,762                                   | 1,544           |
| Total revenues                                                | 40,169                                  | 33,164          |
| <b>Operating expenses:</b>                                    |                                         |                 |
| Research and development,                                     | 17,101                                  | 14,700          |
| Research and development expense related to issuance of stock | 11,013                                  | —               |
| Selling, general and administrative                           | 15,164                                  | 10,079          |
| Impairment of HeartBar <sup>®</sup> tradename                 | —                                       | 2,024           |
| Cost of product sales                                         | 3,815                                   | 3,346           |
| Cost of service sales                                         | 581                                     | 531             |
| Total operating expenses                                      | 47,674                                  | 30,680          |
| Income (loss) from operations                                 | (7,505)                                 | 2,484           |
| <b>Other income (expense):</b>                                |                                         |                 |
| Interest income                                               | 4,100                                   | 1,898           |
| Interest expense                                              | (711)                                   | —               |
| Equity loss in affiliate                                      | (114)                                   | (207)           |
| Other, net                                                    | 4                                       | 10              |
| Total other income, net                                       | 3,279                                   | 1,701           |
| Income (loss) before income tax                               | (4,226)                                 | 4,185           |
| Income tax benefit (expense)                                  | 1,445                                   | (1,878)         |
| Net income (loss)                                             | <u>\$ (2,781)</u>                       | <u>\$ 2,307</u> |
| <b>Net income (loss) per common share:</b>                    |                                         |                 |
| Basic                                                         | <u>\$ (0.13)</u>                        | <u>\$ 0.10</u>  |
| Diluted                                                       | <u>\$ (0.13)</u>                        | <u>\$ 0.09</u>  |
| <b>Weighted average number of common shares outstanding:</b>  |                                         |                 |
| Basic                                                         | <u>21,303</u>                           | <u>23,374</u>   |
| Diluted                                                       | <u>21,303</u>                           | <u>25,609</u>   |

See accompanying notes to consolidated financial statements.

**UNITED THERAPEUTICS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

|                                                                                          | <b>Three Months Ended<br/>March 31,</b> |                  |
|------------------------------------------------------------------------------------------|-----------------------------------------|------------------|
|                                                                                          | <b>2007</b>                             | <b>2006</b>      |
|                                                                                          | <b>(Unaudited)</b>                      |                  |
| Cash flows from operating activities:                                                    |                                         |                  |
| Net (loss) income                                                                        | \$ (2,781)                              | \$ 2,307         |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                                         |                  |
| Depreciation and amortization                                                            | 825                                     | 568              |
| Provision for bad debt and inventory obsolescence                                        | (23)                                    | 322              |
| Deferred tax expense (benefit)                                                           | (1,567)                                 | 1,783            |
| Gain (loss) on disposals of equipment                                                    | (77)                                    | 57               |
| Options issued in exchange for services                                                  | 5,353                                   | 4,649            |
| Write down of intangible asset                                                           | —                                       | 2,024            |
| Amortization of deferred offering costs                                                  | 399                                     | —                |
| Amortization of discount or premium on investments                                       | (1,053)                                 | (31)             |
| Equity loss in affiliate and unrealized foreign translation loss                         | 120                                     | 206              |
| Excess tax benefits from stock-based compensation                                        | (2,364)                                 | —                |
| Issuance of stock for license                                                            | 11,013                                  | —                |
| Changes in operating assets and liabilities:                                             |                                         |                  |
| Accounts receivable                                                                      | 3,440                                   | (719)            |
| Interest receivable                                                                      | (456)                                   | 210              |
| Inventories                                                                              | (1,142)                                 | 387              |
| Prepaid expenses                                                                         | 1,289                                   | 1,851            |
| Other assets                                                                             | (443)                                   | (115)            |
| Accounts payable                                                                         | 2,120                                   | 656              |
| Accrued expenses                                                                         | (1,449)                                 | 2,511            |
| Due to (from) affiliates                                                                 | (238)                                   | (154)            |
| Other liabilities                                                                        | 173                                     | (29)             |
| Net cash provided by operating activities                                                | 13,139                                  | 16,483           |
| Cash flows from investing activities:                                                    |                                         |                  |
| Purchases of property, plant and equipment                                               | (8,041)                                 | (1,107)          |
| Purchases of held-to-maturity investments                                                | (32,923)                                | (1,468)          |
| Purchases of available-for-sale investments                                              | (28,349)                                | —                |
| Sales of available-for-sale investments                                                  | 56,750                                  | 1,000            |
| Maturities of held-to-maturity investments                                               | 32,933                                  | —                |
| Net cash provided (used) by investing activities                                         | 20,370                                  | (1,575)          |
| Cash flows from financing activities:                                                    |                                         |                  |
| Payments to repurchase common stock                                                      | (67,059)                                | —                |
| Proceeds from the exercise of stock options                                              | 7,972                                   | 3,492            |
| Excess tax benefits from stock-based compensation                                        | 2,364                                   | 44               |
| Principal payments on notes payable and capital lease obligations                        | (2)                                     | (5)              |
| Net cash provided (used) by financing activities                                         | (56,725)                                | 3,531            |
| Net increase (decrease) in cash and cash equivalents                                     | (23,216)                                | 18,439           |
| Cash and cash equivalents, beginning of period                                           | 91,067                                  | 69,180           |
| Cash and cash equivalents, end of period                                                 | <u>\$ 67,851</u>                        | <u>\$ 87,619</u> |
| Supplemental schedule of cash flow information:                                          |                                         |                  |
| Cash paid for interest                                                                   | <u>\$ 4</u>                             | <u>\$ —</u>      |
| Cash paid for income taxes                                                               | <u>\$ 654</u>                           | <u>\$ 156</u>    |

See accompanying notes to consolidated financial statements.

**UNITED THERAPEUTICS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2007**

**(UNAUDITED)**

**1. ORGANIZATION AND BUSINESS DESCRIPTION**

United Therapeutics Corporation (United Therapeutics) is a biotechnology company focused on the development and commercialization of innovative therapeutic products for patients with chronic and life-threatening cardiovascular, cancer and infectious diseases. We were incorporated on June 26, 1996, under the laws of the State of Delaware and we have the following wholly-owned subsidiaries: Lung Rx, Inc. (Lung Rx), Unither Pharmaceuticals, Inc. (UPI), Unither Telmed, Ltd. (Unither Telmed and formerly Unither Telemedicine Services Corporation), Unither.com, Inc., United Therapeutics Europe, Ltd., Unither Pharma, Inc., Medicomp, Inc., Unither Nutraceuticals, Inc., Lung Rx, Ltd. and Unither Biotech Inc.

Our lead product is Remodulin<sup>®</sup> (treprostinil sodium). Remodulin was first approved for use on May 21, 2002, by the United States Food and Drug Administration (FDA) as a continuous subcutaneous infusion for the treatment of pulmonary arterial hypertension (PAH) in patients with NYHA class II-IV symptoms to diminish symptoms associated with exercise. On November 24, 2004, the FDA approved intravenous infusion of Remodulin, based on data establishing intravenous bioequivalence with subcutaneous Remodulin, for patients who are not able to tolerate a subcutaneous infusion. On March 21, 2006, the FDA expanded its approval of Remodulin to include patients requiring transition from Flolan<sup>®</sup>, the only other FDA-approved intravenous prostacyclin. In addition to the United States, Remodulin is approved for subcutaneous infusion in most of Europe, Canada, Israel, Australia and several countries in South America. It is approved for intravenous infusion in Canada, Israel, Mexico, Argentina and Peru. Other international applications for the approval of Remodulin are pending.

We have generated pharmaceutical revenues from sales of Remodulin and arginine products in the United States, Canada, Europe, South America and Asia. In addition, we have generated non-pharmaceutical revenues from telemedicine products and services in the United States.

**2. BASIS OF PRESENTATION**

The consolidated financial statements included herein have been prepared, without audit, pursuant to Regulation S-X of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations. These consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2006, as filed with the Securities and Exchange Commission.

In the opinion of our management, any adjustments contained in the accompanying unaudited consolidated financial statements are of a normal recurring nature, necessary to present fairly the financial position as of March 31, 2007, and results of operations and cash flows for the three-month periods ended March 31, 2007 and 2006. Interim results are not necessarily indicative of results for an entire year.

### 3. INVENTORIES

We manufacture certain compounds, such as the treprostinil-based compounds, and purchase medical supplies, for use in our product sales and ongoing clinical trials. We subcontract the manufacture of cardiac monitoring equipment. We contract with a third-party manufacturer to make arginine products and for the formulation of Remodulin and for clinical trial materials for the inhaled and oral treprostinil clinical trials. Clinical trial materials are expensed as incurred as research and development expense. These inventories are accounted for under the first-in, first-out method and are carried at the lower of cost or market. Inventories consisted of the following, net of reserves of approximately \$486,000 and \$440,000 at March 31, 2007 and December 31, 2006, respectively (in thousands):

|                                                     | March 31,<br>2007 | December 31,<br>2006 |
|-----------------------------------------------------|-------------------|----------------------|
| Remodulin:                                          |                   |                      |
| Raw materials                                       | \$ 351            | \$ 149               |
| Work-in-progress                                    | 7,144             | 7,807                |
| Finished goods                                      | 4,080             | 3,355                |
| Remodulin delivery pumps and other medical supplies | 559               | 661                  |
| Cardiac monitoring equipment components             | 85                | 38                   |
| Arginine products                                   | 104               | 37                   |
| Total inventories                                   | <u>\$ 12,323</u>  | <u>\$ 12,047</u>     |

### 4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets were comprised as follows (in thousands):

|                        | As of March 31, 2007<br>Accumulated |                   |                 | As of December 31, 2006<br>Accumulated |                   |                 |
|------------------------|-------------------------------------|-------------------|-----------------|----------------------------------------|-------------------|-----------------|
|                        | Gross                               | Amortization      | Net             | Gross                                  | Amortization      | Net             |
| Goodwill               | <u>\$ 7,465</u>                     | <u>\$ —</u>       | <u>\$ 7,465</u> | <u>\$ 7,465</u>                        | <u>\$ —</u>       | <u>\$ 7,465</u> |
| Intangible assets:     |                                     |                   |                 |                                        |                   |                 |
| Technology and patents | <u>\$ 6,164</u>                     | <u>\$ (3,179)</u> | <u>\$ 2,985</u> | <u>\$ 6,164</u>                        | <u>\$ (3,024)</u> | <u>\$ 3,140</u> |

The HeartBar product was discontinued in January 2006 and is no longer sold. As a result, an impairment related to the HeartBar product tradename totaling approximately \$2.0 million was recorded during the three months ended March 31, 2006.

Total amortization expense for the three-month periods ended March 31, 2007 and 2006 was approximately \$155,000 and \$81,000, respectively. The aggregate amortization expense related to these intangible assets for each of the five succeeding years is estimated as follows (in thousands):

| <u>Years ending December 31,</u> |        |
|----------------------------------|--------|
| 2007                             | \$ 620 |
| 2008                             | 620    |
| 2009                             | 620    |
| 2010                             | 620    |
| 2011                             | 620    |

### 5. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

In May 2006, the Compensation Committee of our Board of Directors approved the United Therapeutics Corporation Supplemental Executive Retirement Plan (the SERP). The SERP is administered by the Compensation Committee. Only a member of a “select group of management or



highly compensated employees” within the meaning of ERISA section 201(2) may be eligible to participate in the SERP. During the three months ending March 31, 2007, a normal revaluation of the SERP was performed as a result of finalization of the 2007 salary levels for the SERP participants. The revaluation process includes updating any assumptions and inputs into the actuarial calculations. During the revaluation process, the discount rate changed to 5.7% from 6.2% used in 2006. For the three months ending March 31, 2007, we recognized approximately \$612,200 and \$37,000, respectively, in service and interest costs for the SERP.

In accordance with SFAS 158, *Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans*, we record as part of the projected benefit obligation the unfunded actuarial loss and unamortized prior period service costs. These amounts are recorded net of tax in other comprehensive income (loss). See footnote No. 8 Comprehensive Income (loss) for the details.

The reconciliation of the beginning and ending balances in benefit obligations and fair value of plan assets, as well as the funded status of our plans, is as follows (in thousands):

|                                                   | Three months ended |
|---------------------------------------------------|--------------------|
|                                                   | March 31, 2007     |
| Projected benefit obligation at December 31, 2006 | \$ 1,572           |
| Service cost                                      | 612                |
| Interest cost                                     | 37                 |
| Actuarial loss                                    | 254                |
| Prior period service costs                        | 758                |
| Projected benefit obligation at March 31, 2007    | <u>\$ 3,233</u>    |

## 6. STOCKHOLDERS’ EQUITY

### *Earnings (Loss) per Common Share*

Basic earnings (loss) per common share are computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the respective periods. Diluted earnings per common share are computed by dividing net income by the weighted average number of shares of common stock outstanding during the period plus the number of shares issuable upon the exercise of outstanding stock options and warrants using the treasury stock method. The effects of outstanding stock options and other potential stock issuances were not included in the computation of diluted loss per share for the three months ended March 31, 2007, because to do so would have been antidilutive for the period presented.

At March 31, 2007, the holders of the components of basic and dilutive earnings (loss) per share were as follows (in thousands, except per share amounts):

|                                                   | Three Months Ended |                |
|---------------------------------------------------|--------------------|----------------|
|                                                   | March 31,          |                |
|                                                   | 2007               | 2006           |
| Net income (loss) (numerator)                     | \$ (2,781)         | \$ 2,307       |
| Shares (denominator):                             |                    |                |
| Weighted average outstanding shares for basic EPS | 21,303             | 23,374         |
| 0.50% Senior Convertible Note                     | —                  | —              |
| Dilutive effect of stock options                  | —                  | 2,235          |
| Adjusted weighted average shares for diluted EPS  | <u>21,303</u>      | <u>25,609</u>  |
| Earnings (loss) per share                         |                    |                |
| Basic                                             | \$ (0.13)          | \$ 0.10        |
| Diluted                                           | <u>\$ (0.13)</u>   | <u>\$ 0.09</u> |

Stock options and warrants to purchase approximately 5.3 million weighted-average shares of our common stock were also outstanding during the three-month period ended March 31, 2007, but were not included in the computation of earnings (loss) per share because the exercise prices of these options and warrants were greater than the average market price of our common stock during this period; therefore their effect was antidilutive. Due to our net loss for the three month period ended March 31, 2007, outstanding options to purchase approximately 1.1 million weighted-average shares of our common stock were not included in the computation of diluted net loss per share because their inclusion would have been antidilutive.

### **Stock Option Plan**

Effective January 1, 2006, we adopted the provisions of FASB Statement No. 123 (revised 2004), *Share-Based Payment*, (SFAS 123(R)) and interpretative literature within SEC Staff Accounting Bulletin No. 107, *Share-Based Payment*, (SAB 107). We utilize the Black-Scholes-Merton valuation model for estimating the fair value of stock options granted. Option valuation models, including Black-Scholes-Merton, require the input of highly subjective assumptions. Changes in the assumptions used can materially affect the grant date fair value of an award. These assumptions include the risk-free rate of interest, expected dividend yield, expected volatility, and the expected life of the award.

The following are the weighted-average assumptions used in valuing the stock options granted to employees during the three-month periods ended March 31, 2007 and 2006:

|                          | <b>Three Months Ended<br/>March 31,</b> |             |
|--------------------------|-----------------------------------------|-------------|
|                          | <b>2007</b>                             | <b>2006</b> |
| Expected volatility      | 40.13%                                  | 47.43%      |
| Risk-free interest rate  | 4.5%                                    | 4.5%        |
| Expected term of options | 6.0 years                               | 6.0 years   |
| Expected dividend yield  | 0.0%                                    | 0.0%        |
| Forfeiture rate          | 7.1%                                    | 11.7%       |

A summary of the status of our employee stock options as of March 31, 2007, and changes during the three months ended is presented below:

| <b>All Employee Options</b>        | <b>Number of<br/>Shares</b> | <b>Weighted<br/>Average<br/>Exercise<br/>Price</b> | <b>Weighted Average<br/>Remaining<br/>Contractual<br/>Term</b> | <b>Aggregate<br/>Intrinsic<br/>Value<br/>(\$ in 000s)</b> |
|------------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------|
| Outstanding at January 1, 2007     | 5,503,765                   | \$ 43.83                                           |                                                                |                                                           |
| Granted                            | 613,112                     | 55.80                                              |                                                                |                                                           |
| Exercised                          | (291,203)                   | 27.28                                              |                                                                |                                                           |
| Forfeited                          | (13,155)                    | 52.93                                              |                                                                |                                                           |
| Outstanding at March 31, 2007      | <u>5,812,519</u>            | <u>\$ 45.90</u>                                    | <u>7.2</u>                                                     | <u>\$ 266,808</u>                                         |
| Expected to vest at March 31, 2007 | <u>2,039,753</u>            | <u>\$ 56.53</u>                                    | <u>9.2</u>                                                     | <u>\$ 125,958</u>                                         |
| Exercisable at March 31, 2007      | <u>3,584,255</u>            | <u>\$ 39.30</u>                                    | <u>6.0</u>                                                     | <u>\$ 140,850</u>                                         |

The weighted-average grant-date fair value of options granted during the three months ended March 31, 2007 and 2006, was \$25.77 and \$33.33, respectively.

Total employee share-based compensation expense recognized for the three months ended March 31, 2007 and 2006, is as follows (in thousands):

|                                                | Three Months Ended<br>March 31, |                 |
|------------------------------------------------|---------------------------------|-----------------|
|                                                | 2007                            | 2006            |
| Cost of service sales                          | \$ 32                           | \$ 27           |
| Research and development                       | 2,139                           | 1,624           |
| Selling, general and administrative            | 2,823                           | 2,141           |
| Share-based compensation expense before taxes  | 4,994                           | 3,792           |
| Related income tax benefits                    | (1,708)                         | (1,653)         |
| Share-based compensation expense, net of taxes | <u>\$ 3,286</u>                 | <u>\$ 2,139</u> |

Equity-based compensation costs capitalized as part of inventory during the three months ended March 31, 2007 and 2006, were approximately \$78,000 and \$158,000, respectively.

A summary of option exercises under all share-based payment is as follows (dollars in thousands):

|                             | Three Months Ended<br>March 31, |                 |
|-----------------------------|---------------------------------|-----------------|
|                             | 2007                            | 2006            |
| Number of options exercised | <u>294,203</u>                  | <u>200,780</u>  |
| Cash received               | <u>\$ 7,972</u>                 | <u>\$ 3,492</u> |

### ***Stock Repurchases***

On October 17, 2006, our Board of Directors approved a stock repurchase program to repurchase up to 4.0 million shares of our common stock over a two-year period. As of December 31, 2006, a total of approximately 1.9 million shares had been repurchased at a cost of approximately \$115.5 million in the stock repurchase program. Approximately 1.2 million shares of our common stock were repurchased at cost of approximately \$67.1 million during the three months ended March 31, 2007. As of March 31, 2007, 911,669 shares remained eligible for repurchase under this program.

## **7. NOTES PAYABLE**

### ***Convertible Senior Notes***

On October 30, 2006, we issued \$250.0 million of 0.50% Convertible Senior Notes due October 2011 (the Convertible Senior Notes). In connection with the issuance of the Convertible Senior Notes, we also entered into a call spread option. The Convertible Senior Notes were issued at par value and pay interest in cash semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2007. The Convertible Senior Notes are unsecured unsubordinated obligations and rank equally with all other unsecured and unsubordinated indebtedness. The Convertible Senior Notes have an initial conversion price of \$75.2257 per share. The Convertible Senior Notes may only be converted: (i) anytime after July 15, 2011; (ii) during any calendar quarter commencing after the date of original issuance of the notes, if the closing sale price of our common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the calendar quarter preceding the quarter in which the conversion occurs is more than 120% of the conversion price of the notes in effect on that last trading day; (iii) during the ten consecutive trading-day period following any five consecutive trading-day period in which the trading price for the notes for each such trading day was less than 95% of the closing sale price of our common stock on such date multiplied by the then current conversion rate; or (iv) if specified significant distributions to holders of our common stock are made, specified corporate transactions occur, or our

common stock ceases to be approved for listing on The NASDAQ Global Select Market and is not listed for trading on another U.S. national or regional securities exchange. Upon conversion, a holder will receive: (i) cash equal to the lesser of the principal amount of the note or the conversion value; and (ii) to the extent the conversion value exceeds the principal amount of the note, shares of our common stock. In addition, upon a change in control, as defined in the indenture under which the Convertible Senior Notes have been issued, the holders may require us to purchase all or a portion of their Convertible Senior Notes for 100% of the principal amount plus accrued and unpaid interest, if any, plus a number of additional shares of our common stock. As of March 31, 2007, the fair value of the \$250.0 million Convertible Senior Notes outstanding was approximately \$242.6 million, based on the quoted market price.

## 8. COMPREHENSIVE INCOME (LOSS)

SFAS No. 130, *Reporting Comprehensive Income*, establishes standards for the reporting and display of comprehensive income and its components. SFAS No. 130 requires, among other things, that unrealized gains and losses on available-for-sale securities, certain unrecognized and unfunded pension costs and foreign currency translation adjustments be included in other comprehensive income (loss). The following statement presents comprehensive income (loss) for the three months ended March 31, 2007 and 2006 (in thousands):

|                                                            | Three Months Ended<br>March 31, |                 |
|------------------------------------------------------------|---------------------------------|-----------------|
|                                                            | 2007                            | 2006            |
| Net income (loss)                                          | \$ (2,781)                      | \$ 2,307        |
| Other comprehensive income (loss):                         |                                 |                 |
| Foreign currency translation gain adjustment               | 15                              | 4               |
| Unrecognized prior period pension service cost, net of tax | (484)                           | —               |
| Unrecognized actuarial pension loss, net of tax            | (167)                           | —               |
| Unrealized gain (loss) on available-for-sale securities    | 341                             | (336)           |
| Comprehensive income (loss)                                | <u>\$ (3,076)</u>               | <u>\$ 1,975</u> |

## 9. INCOME TAXES

Significant components of the provision for income taxes attributable to operations consist of the following (in thousands):

|                                            | Three Months Ended<br>March 31, |                 |
|--------------------------------------------|---------------------------------|-----------------|
|                                            | 2007                            | 2006            |
| Current:                                   |                                 |                 |
| Federal                                    | \$ (1,199)                      | \$ 40           |
| State                                      | (246)                           | 55              |
| Total current                              | (1,445)                         | 95              |
| Deferred                                   |                                 |                 |
| Federal                                    | —                               | 1,674           |
| State                                      | —                               | 109             |
| Total deferred                             | —                               | 1,783           |
| Total provision (benefit) for income taxes | <u>\$ (1,445)</u>               | <u>\$ 1,878</u> |

We recognized a benefit for income taxes as a result of incurring a loss for the three months ended March 31, 2007.

The income tax provision (benefit) for the three months ended March 31, 2007 and 2006, respectively, is based on the estimated annual effective tax rate for the entire year. The estimated effective tax rate is

subject to adjustment in subsequent quarterly periods as the estimates of pretax income for the year are increased or decreased. The effective tax rate for the three months ended March 31, 2007 and 2006, was approximately 34 percent and 44 percent, respectively. Until legislation to retroactively reinstate federal tax credits for qualified research expenditures was enacted in October 2006, no benefit from the federal research credit generated during the three months ended March 31, 2006, was included in estimating the 2006 effective tax rate.

As of March 31, 2007, we had available approximately \$48.3 million in net operating loss carryforwards and approximately \$48.3 million in business tax credit carryforwards for federal income tax purposes, which expire at various dates through 2024. We have conducted a study to determine whether any limitations under Section 382 of the Internal Revenue Code have been triggered through December 31, 2006. Results of this study indicate that multiple limitations occurred through November 2004. As a result, portions of these carryforward items that were generated prior to November 2004 will be subject to certain limitations on their use. We do not believe that these potential limitations will cause the net operating loss and general business credit carryforwards to expire unused.

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement 109* (FIN 48). This statement clarifies the criteria that an individual tax position must satisfy for some or all of the benefits of that position to be recognized in a company's financial statements. FIN 48 prescribes a recognition threshold of more-likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements. Effective January 1, 2007, we adopted the provisions of FIN 48 and there was no material effect on the financial statements. As a result, there was no cumulative effect related to adopting FIN 48.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. All of our U.S. federal tax returns remain open for examination since we have not utilized any of our business credits. State jurisdictions that remain subject to examination range from 2001 to 2005. We do not believe there will be any material changes in our unrecognized tax positions over the next 12 months.

Our policy is that we recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of the date of adoption of FIN 48, we did not have any accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized during the quarter.

## **10. LICENSE AGREEMENT**

In March 2007, Lung Rx entered into an agreement with Toray Industries, Inc. (Toray) to assume and amend the rights and obligations of the agreement entered into between Toray and us in June 2000 concerning the commercialization of modified release formulations of beraprost (beraprost-MR). Under our original agreement with Toray, we had exclusive North American rights to commercialize beraprost-MR in the United States for cardiovascular disease. Under the amended agreement, we received additional exclusive rights to commercialize beraprost-MR in Europe, broadens the indication to vascular disease (excluding renal disease) and includes other revisions. While an earlier clinical trial of an immediate release form of beraprost in PAH demonstrated efficacy at 12 weeks but not at 36 weeks, a number of patients did respond positively to the drug. We feel that the development of beraprost-MR as combination therapy with drugs featuring different mechanisms of action presents a desirable clinical opportunity given what we understand about how the human body interacts with beraprost and how beraprost, in turn, affects the body. Since there is considerable variability in how PAH patients respond to the same class of molecules, we believe it is beneficial to offer a variety of treatments within that family of molecules. In addition, we are in the early stages of exploring the development of beraprost-MR for the treatment of congestive heart failure.

In accordance with the terms of the agreement, in March 2007, we issued 200,000 shares of our common stock to Toray in exchange for the cancellation of Toray's existing right to receive an option grant to purchase 500,000 shares of our common stock (the Option Grant). Under the June 2000 Agreement, Toray's right to receive the Option Grant was conditioned on Toray's delivery to us of adequate documentation of beraprost-MR in humans and its transfer of clinical trial material to us, neither of which has yet to occur. Had the Option Grant been made, the exercise price of the options would have been set at the average closing price of our common stock for the period one month prior to the delivery date. Under the terms of the assumed and amended agreement, Toray has the right to request that we repurchase the newly-issued 200,000 shares of common stock upon 30 days prior written notice at the price of \$54.41 per share, which was the average closing price of our stock between January 11, 2007, and February 23, 2007. Based on the average closing price of our stock for the two trading days prior to and the two trading days after March 16, 2007, we recognized a research and development expense of approximately \$11.0 million in March relating to the issuance of the 200,000 shares, since beraprost-MR has not yet obtained regulatory approval for commercial sales. In accordance with the provision of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, EITF 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*, and EITF Topic No. D-98, *Classification and Measurement of Redeemable Securities*, these shares of stock are reflected in mezzanine equity as common stock subject to repurchase valued at the repurchase price. If Toray requests that we repurchase these shares, then the value of these shares will be transferred to a liability account until the repurchase is completed.

The amended license agreement also specifies that we make certain milestone payments to Toray during the development period and upon U.S. or European Union approval. Upon execution of the amended agreement, we made a \$3.0 million payment to Toray in addition to the issuance of the 200,000 shares of our common stock discussed above. Additional annual milestone payments are specified in the agreement of \$2.0 million commencing in 2008 and increasing by \$1.0 million per year through 2011. These payments will be expensed when incurred. These payments are contingent upon the receipt of clinical trial material and commercial drug from Toray that meet all of the regulatory standards and requirements, including those relating to chemistry, manufacturing and controls, and are characterized and documented to the satisfaction of the U.S. and European Union regulatory authorities. In addition, if Toray elects to terminate production of beraprost-MR, no further payments would be due under the amended agreement. Conversely, if we elect to terminate development of beraprost-MR, then all remaining milestone payments would be due to Toray, unless certain regulatory standards and requirements have not been met, or material problems have been identified with respect to manufacture and regulatory compliance.

## **11. SEGMENT INFORMATION**

We have two reportable business segments, pharmaceutical and telemedicine. The pharmaceutical segment includes all activities associated with the research, development, manufacture and commercialization of therapeutic products. The telemedicine segment includes all activities associated with the development and manufacture of patient monitoring products and the delivery of patient monitoring services. The telemedicine segment is managed separately because diagnostic services require different technology, manufacturing and marketing strategies than therapeutic products require.

Segment information as of and for the three months ended March 31, 2007 and 2006, was as follows (in thousands):

|                                             | Three Months Ended March 31, |              |                     |                |              |                     |
|---------------------------------------------|------------------------------|--------------|---------------------|----------------|--------------|---------------------|
|                                             | 2007                         |              |                     | 2006           |              |                     |
|                                             | Pharmaceutical               | Telemedicine | Consolidated Totals | Pharmaceutical | Telemedicine | Consolidated Totals |
| Revenues from external customers            | \$ 38,283                    | \$ 1,886     | \$ 40,169           | \$ 31,414      | \$ 1,750     | \$ 33,164           |
| Income (loss) before income tax             | (4,278)                      | 52           | (4,226)             | 4,343          | (158)        | 4,185               |
| Interest income                             | 4,040                        | 60           | 4,100               | 1,894          | 4            | 1,898               |
| Interest expense                            | (711)                        | —            | (711)               | —              | —            | —                   |
| Depreciation and amortization               | (736)                        | (89)         | (825)               | (446)          | (122)        | (568)               |
| Equity loss in affiliate                    | (114)                        | —            | (114)               | (207)          | —            | (207)               |
| Total investment in equity method investees | 1,454                        | —            | 1,454               | 1,852          | —            | 1,852               |
| Expenditures for long-lived assets          | (8,025)                      | (16)         | (8,041)             | (845)          | (262)        | (1,107)             |
| Goodwill, net                               | 1,287                        | 6,178        | 7,465               | 1,287          | 6,178        | 7,465               |
| Total assets                                | 418,511                      | 17,755       | 436,266             | 294,641        | 10,110       | 304,751             |

The segment information shown above equals the consolidated totals. These consolidated totals equal the amounts reported in the consolidated financial statements without further reconciliation for those categories that are reported in the consolidated financial statements. There are no inter-segment transactions.

For the three-month periods ended March 31, 2007 and 2006, approximately 85 percent and 87 percent, respectively, of our revenues were earned from customers located in the United States.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion should be read in conjunction with the consolidated financial statements and related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2006. The following discussion contains forward-looking statements made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995 including the statements listed under the section entitled "*Part II, Item 1A—Risk Factors*" below. These statements are based on our beliefs and expectations as to future outcomes and are subject to risks and uncertainties that could cause our results to differ materially from anticipated results. Factors that could cause or contribute to such differences include those discussed below and as described in our Annual Report on Form 10-K for the year ended December 31, 2006, under the section entitled "*Part II, Item 1A—Risk Factors—Forward-Looking Statements*", and the other cautionary statements, cautionary language and risk factors set forth in other reports and documents filed with the Securities and Exchange Commission. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

### **Overview**

We are a biotechnology company focused on the development and commercialization of innovative therapeutic products for patients with chronic and life-threatening cardiovascular, cancer and infectious diseases. We commenced operations in June 1996 and, since our inception, have devoted substantially all of our resources to acquisitions and research and development programs.

#### ***United Therapeutics Products and Services***

Our lead product is Remodulin, a prostacyclin analog. Our prostacyclin analog acts as a stable synthetic form of prostacyclin, an important molecule produced by the body that has powerful effects on blood-vessel health and function. On May 21, 2002, the United States Food and Drug Administration (FDA) approved subcutaneous (injection under the skin) use of Remodulin (treprostinil sodium) for the treatment of PAH in patients with NYHA class II-IV symptoms to diminish symptoms associated with exercise. PAH is a life-threatening condition characterized by elevated blood pressures between the heart and lungs. In November 2004, the FDA approved intravenous (through a vein or artery) infusion of Remodulin for patients who are not able to tolerate subcutaneous infusion. This approval was based on data establishing the bioequivalence of intravenous with subcutaneous Remodulin. On March 21, 2006, the FDA expanded its approval of Remodulin to include patients requiring transition from Flolan.

Remodulin is approved for subcutaneous use in 33 countries throughout the world. The mutual recognition process to obtain approvals from European Union member countries for subcutaneous use of Remodulin was completed in August 2005, with positive decisions received from most European Union countries. We withdrew applications in Ireland, Spain and the United Kingdom. We anticipate resubmitting these applications following intravenous Remodulin approval in Europe. Licenses and pricing approvals have been received in most European Union countries, with the remainder expected during 2007. We have filed a variation to our license for approval of intravenous Remodulin through the mutual recognition process. Currently, our application is under review in France, our reference member state in the mutual recognition process. Remodulin has been approved for intravenous use in Canada, Israel, Mexico, Argentina and Peru. Marketing authorization applications are currently under review in other countries.

We have generated revenues from sales of Remodulin and arginine royalties and products (which deliver an amino acid that is necessary for maintaining cardiovascular function) in the United States and other countries. In addition, we have generated revenues from telemedicine products and services, primarily designed for patients in the United States with abnormal heart rhythms, called cardiac



arrhythmias, and ischemic heart disease, a condition that causes poor blood flow to the heart. We currently fund our operations from revenues generated from the sales of our products and services.

### ***Remodulin Marketing and Sales***

Remodulin is currently marketed by our own staff of approximately 24 employees who market directly to physicians specialized in treating PAH, comprised mainly of cardiologists and pulmonologists. Our staff is augmented by the marketing resources of our distributors. We face stiff competition from several other companies that market and sell competing therapies and expect the competition to continue growing.

Remodulin is sold to patients in the United States by Accredo Therapeutics, Inc. (a wholly-owned subsidiary of Medco Health Solutions, Inc.), CuraScript, Inc. (a wholly owned subsidiary of Express Scripts, Inc.), and Caremark, Inc., (a wholly-owned subsidiary of CVS Corp.), and outside of the United States by various international distributors. We sell Remodulin in bulk shipments to our distributors. Our U.S.-based distributors typically place one order per month, usually in the first half of the month. The timing and magnitude of our sales of Remodulin are impacted by the timing and volume of these bulk orders from distributors. Bulk orders placed by our distributors are based on their estimates of the amount of drug required for existing and newly starting patients, as well as maintaining an inventory that can meet approximately thirty days' demand as a contingent supply. Effective January 1, 2007, Curascript's minimum inventory requirement was reduced from 60 days to 30 days to make their agreement consistent with our two other U.S. distributors. This inventory reduction resulted in a decrease in our first quarter 2007 revenues of approximately \$2 million. Because discontinuation of therapy can be life-threatening to patients, we require our distributors to maintain inventory levels as specified in our distribution agreements. Due to these contractual requirements, sales of Remodulin to distributors in any given quarter may not be indicative of patient demand during that quarter. In addition, inventory levels reported by distributors are impacted by the timing of their sales around the end of each reporting period. Sales of Remodulin and associated pumps and supplies are recognized as revenue when delivered to our distributors.

On March 27, 2007, we entered into an exclusive agreement with Mochida Pharmaceutical Co., Ltd. (Mochida), for subcutaneous and intravenous Remodulin distribution in Japan. Mochida will be responsible for obtaining Japanese marketing authorization for Remodulin with our assistance, including conducting necessary bridging studies. We will supply study drug at no charge to Mochida. Due to these bridging studies and required Japanese regulatory reviews, commercial activities in Japan are not expected to commence until 2010 or later. Upon receipt of marketing authorization and pricing approval, Mochida will purchase Remodulin from us for at an agreed-upon transfer price. In addition, Mochida has agreed to pay us certain exclusive distribution rights payments. The first payment of \$4.0 million will be paid within fifteen days following their receipt of a tax certificate from the U.S. Treasury Department, which is expected during the 2<sup>nd</sup> quarter of 2007. Certain other distribution rights payments are due as follows: (1) upon Remodulin receiving orphan drug status in Japan or February 1, 2008, whichever first occurs, \$4.0 million; (2) upon filing a New Drug Application (NDA) in Japan, \$2.0 million; and (3) upon marketing approval in Japan, \$2.0 million. Payments for distribution rights received through the filing of the NDA will be recognized ratably over a three-year period representing the estimated period of time until marketing authorization is received.

Effective July 1, 2006, we increased the selling price of Remodulin to our U.S.-based distributors. The price was increased approximately 3.5% to \$67.25 per milligram, and applies to sales of Remodulin made on or after July 1, 2006.

## ***Future Prospects***

We believe it is likely that many patients now being treated with non-prostacyclin therapies for PAH will require prostacyclin therapy in the near future due to disease progression. As they do, we believe our subcutaneous and intravenous formulations of Remodulin will capture a significant number of these patients. We have two Phase III trials, VIVETA and OvaRex, the results of which should be known during the later half of 2007. If either or both of these trials are successful, we will be working on obtaining regulatory approvals for these products and developing our commercial strategy and foundation. Future profitability will depend on many factors, including the price, level of sales, level of reimbursement by public and private insurance payers, the impact of competitive products, and the number of patients using Remodulin and other currently commercialized products and services, as well as the results and costs of research and development projects, as discussed in the section entitled *“Actual consolidated revenues and net income may be different from published securities analyst projections. In addition, we have a history of losses and may not continue to be profitable”* under Part II—Items 1.A. “Risk Factors” below.

## **Major Research and Development Projects**

Our major research and development projects are focused on the use of Remodulin to treat cardiovascular diseases, immunotherapeutic monoclonal antibodies (antibodies that activate a patient’s immune response) to treat a variety of cancers and glycobiology antiviral agents (a novel class of small molecules that may be effective as oral therapies) to treat infectious diseases, such as the hepatitis C virus.

### ***Cardiovascular Disease Projects***

Subcutaneous use of Remodulin was approved by the FDA in May 2002. Material net cash inflows from the sales of Remodulin for PAH commenced in May 2002 after FDA approval was received. In November 2004, the FDA approved intravenous (through a vein or artery) infusion of Remodulin for patients who are not able to tolerate subcutaneous infusion. This approval was based on data establishing the bioequivalence of intravenous with subcutaneous Remodulin.

TRIUMPH-1, **T**reprostinil **I**nhalation **U**sed in the **M**anagement of **P**ulmonary **H**ypertension, a clinical trial, is currently being conducted at approximately 42 centers in the United States and Europe. In May 2006, the FDA agreed to permit the inclusion of patients with PAH who are also being treated with Revatio, to expand the trial size to at least 200 patients, and to permit the assessment of efficacy after 150 patients have completed the trial. We did not conduct this interim efficacy assessment. As a result, the TRIUMPH-1 trial is expected to conclude when 200 evaluable patients have completed the study, when approximately 215 patients have been enrolled. As of March 31, 2007, approximately 175 patients had been enrolled in this trial. As of April 30, 2007, approximately 190 patients have been enrolled in this trial.

We are developing an oral formulation of treprostinil, treprostinil diethanolamine. Two multi-national placebo-controlled clinical trials of oral treprostinil in patients with PAH commenced in October 2006. These trials are a combination of Phase II and Phase III trials, in which both dosing and efficacy are being studied. One trial, FREEDOM-C, is a 16-week study of up to 300 patients, with an interim assessment at 150 patients, currently on background therapy using a PDE5-inhibitor, such as Revatio<sup>®</sup>, or an endothelin antagonist, such as Tracleer<sup>®</sup>, or a combination of both. The second trial, FREEDOM-M, is a 12-week study of up to 150 patients, who are not on any background therapy, with an interim assessment at 90 patients. Both trials will be conducted at approximately 50 centers in the United States and the rest of the world. As of March 31, 2007, there were 70 and 35 patients enrolled in FREEDOM-C and FREEDOM-M, respectively. As of April 30, 2007, there were 85 and 40 patients enrolled in FREEDOM-C and FREEDOM-M, respectively.

We are also developing beraprost-MR for PAH. Beraprost-MR is an oral analog of prostacyclin. In March 2007, Lung Rx entered into an agreement with Toray Industries, Inc. (Toray) to assume and amend the rights and obligations of the agreement entered into between Toray and us in June 2000 concerning the commercialization of a modified release formulation of beraprost. This agreement is discussed in greater detail in the section entitled “*License Agreement*” below. In accordance with the terms of the agreement, we paid Toray \$3.0 million in cash and issued 200,000 shares of our stock in March 2007. As a result, we recognized a \$14.0 million expense during the first quarter of 2007 for these transactions. We are currently awaiting delivery of beraprost-MR clinical trial material from Toray.

We incurred expenses of approximately \$6.8 million and \$8.9 million during the three months ended March 31, 2007 and 2006, respectively, on Remodulin development. Approximately \$200.7 million from inception to date has been incurred on Remodulin development.

### ***Cancer Disease Projects***

We licensed our monoclonal antibody immunotherapies in April 2002 from AltaRex Medical Corp. OvaRex<sup>®</sup> is our lead product and is currently being studied in two identical Phase III clinical trials in advanced ovarian cancer (Stage III and IV) patients. In January 2003, we initiated these Phase III pivotal clinical trials of OvaRex called IMPACT I and II. Patients enrolled in these studies have successfully completed front-line therapy, consisting of surgery and chemotherapy. We are conducting these studies at approximately 60 centers throughout the United States. In June 2006, these trials were fully enrolled with 367 patients. The primary endpoint for these trials is the difference in time to disease relapse between patients treated with OvaRex and patients receiving a placebo. The trials will be analyzed when each study has reached at least 118 relapse events. Following relapse, patients will also be followed to assess survival rate. As of March 31, 2007, the reported number of relapse events was 127 and 104, respectively, in each of the trials. We are also developing the manufacturing processes to manufacture OvaRex ourselves. OvaRex had previously been supplied by a contract manufacturer. We incurred expenses of approximately \$2.9 million and \$2.1 million during the three months ended March 31, 2007 and 2006, respectively, on OvaRex development. Approximately \$45.8 million from inception to date has been incurred on OvaRex development.

### ***Infectious Disease Projects***

Our infectious disease program includes glycobiology antiviral drug candidates in the preclinical and clinical stages of testing. The drugs in this program are being developed for a wide variety of viruses. We completed acute and chronic Phase I clinical dosing studies using UT-231B, for the treatment of hepatitis C, to assess safety in healthy volunteers in early 2003. We initiated Phase II clinical studies in patients infected with hepatitis C and completed those studies in October 2004. In that trial, UT-231B did not demonstrate efficacy against hepatitis C in a population of patients that had previously failed conventional treatments. We are now conducting preclinical testing of new glycobiology drug candidates. We incurred expenses of approximately \$145,000 and \$200,000 during the three months ended March 31, 2007 and 2006, respectively, for our infectious disease programs. Approximately \$35.9 million from inception to date has been incurred for infectious disease programs.

### ***Project Risks***

Due to the inherent uncertainties involved in the drug development, regulatory review and approval processes, the anticipated completion dates, the cost of completing the research and development and the period in which material net cash inflows from these projects are expected to commence are not known or estimable. There are many risks and uncertainties associated with completing the development of the unapproved products discussed above, including the following:

- Products may fail in clinical studies;
- Hospitals, physicians and patients may not be willing to participate in clinical studies;
- Hospitals, physicians and patients may not properly adhere to clinical study procedures;
- The drugs may not be safe and effective or may not be perceived as safe and effective;
- Other approved or investigational therapies may be viewed as safer, more effective or more convenient;
- Patients may experience severe side effects during treatment;
- Patients may die during the clinical study because their disease is too advanced or because they experience medical problems that are not related to the drug being studied;
- Other ongoing or new clinical trials sponsored by other drug companies or ourselves may reduce the number of patients available for our studies;
- Patients may not enroll in the studies at the rate we expect;
- The FDA, international regulatory authorities or local internal review boards may delay or withhold approvals to commence clinical trials or to manufacture drugs;
- The FDA or international regulatory authorities may request that additional studies be performed;
- Higher than anticipated costs may be incurred due to the high cost of contractors for drug manufacture, research and clinical trials;
- Drug supplies may not be sufficient to treat the patients in the studies; and
- The results of preclinical testing may cause delays in clinical trials.

If these projects are not completed in a timely manner, regulatory approvals could be delayed and our operations, liquidity and financial position could suffer. Without regulatory approvals, we cannot commercialize and sell these products and, therefore, potential revenues and profits from these products could be delayed or impossible to achieve.

### **License Agreement**

In March 2007, Lung Rx entered into an agreement with Toray to assume and amend the rights and obligations of the agreement entered into between Toray and us in June 2000 concerning the commercialization of modified release formulation of beraprost (beraprost-MR). Under our original agreement with Toray, we had exclusive North American rights to commercialize beraprost-MR in the United States for all cardiovascular disease. The amended agreement provides, among other things, that we also have the exclusive rights to commercialize beraprost-MR in Europe, broadens the indication to vascular disease (excluding renal disease) and includes other revisions. While an earlier clinical trial of an immediate release form of beraprost as monotherapy in PAH demonstrated efficacy at 12 weeks but not at 36 weeks, a number of patients did respond positively to the drug. We feel that the development of beraprost-MR as combination therapy with drugs featuring different mechanisms of action presents a

desirable clinical opportunity given what we understand about how the human body interacts with beraprost and how beraprost, in turn, affects the body. Since there is considerable variability in how PAH patients respond to the same class of molecules, we believe it is beneficial to offer a variety of treatments within that family of molecules. In addition, we are in the early stages of exploring the development of beraprost-MR for the treatment of congestive heart failure.

In accordance with the terms of the amended license agreement, in March 2007, we issued 200,000 shares of our common stock to Toray in exchange for the cancellation of Toray's existing right to receive an option grant to purchase 500,000 shares of our common stock (the Option Grant). Under the June 2000 Agreement, Toray's right to receive the Option Grant was conditioned on Toray's delivery to us of adequate documentation of beraprost-MR in humans and its transfer of clinical trial material to us, neither which had yet to occur. Had the Option Grant been made, the exercise price of the options would have been set at the average closing price of our common stock for the period one month prior to the delivery date. Under the terms of the assumed and amended agreement, Toray has the right to request that we repurchase the newly-issued 200,000 shares of common stock upon 30 days' prior written notice at the price of \$54.41 per share, which is the average closing price of our stock between January 11, 2007, and February 23, 2007. Based on the average closing price of our stock for the two trading days prior to and the two trading days after March 16, 2007, we recognized a research and development expense of approximately \$11.0 million in March relating to the issuance of the 200,000 shares, since beraprost-MR has not yet obtained regulatory approval for commercial sales. In accordance with the provision of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and EITF Topic No. D-98, *Classification and Measurement of Redeemable Securities*, these shares of stock are reflected in mezzanine equity as common stock subject to repurchase valued at the repurchase price. If Toray requests that we repurchase these shares, then the value of these shares will be transferred to a liability account until the repurchase is completed.

The new amended license agreement also specifies that we make certain milestone payments to Toray during the development period and upon U.S. or European Union approval. Upon execution of the amended agreement, we made a \$3.0 million milestone payment to Toray in addition to the issuance of the 200,000 shares of our common stock discussed above. The amended license agreement provides for additional milestone payments of \$2.0 million commencing in 2008 and increasing by \$1.0 million per year through 2011. These payments will be expensed when incurred. These payments are contingent upon the receipt of clinical trial material and commercial drug from Toray that meets all the regulatory standards and requirements, including chemistry, manufacturing and controls, and that are characterized and documented to the satisfaction of the U.S. and European Union regulatory authorities. In addition, if Toray elects to terminate production of beraprost-MR, no further payments will become due under the amended license agreement. Conversely, if we elect to terminate development of beraprost-MR, then all remaining milestone payments would be due to Toray, unless certain regulatory standards and requirements have not been met, and material problems have been identified with respect to manufacture and regulatory compliance. In addition to these milestone payments, the amended agreement provides that we will become obligated to make additional payments to Toray if certain specified events occur. Please see the section entitled "*Certain license and assignment agreements relating to our products may restrict our ability to develop products in certain countries and/or for particular diseases and impose other restrictions on our freedom to develop and market our products*" under Part II—Item 1.A. "Risk Factors" below for more information about the license agreement with Toray.

## **Financial Position**

Cash, cash equivalents and marketable investments (including all unrestricted and restricted amounts) at March 31, 2007, were approximately \$252.4 million, as compared to approximately \$303.2 million at December 31, 2006. The decrease of approximately \$50.8 million is due primarily to the repurchase of

approximately \$67.1 million worth of our common stock which was offset by cash provided by operating activities and investing activities of approximately \$13.1 million and \$20.4 million, respectively. Restricted cash and marketable investments pledged to secure our obligations under the synthetic operating lease discussed in the section entitled “ *Off Balance Sheet Arrangement* ” at March 31, 2007, totaled approximately \$38.2 million, as compared with approximately \$39.0 million at December 31, 2006.

Property, plant and equipment at March 31, 2007, were approximately \$42.1 million, as compared to approximately \$34.7 million at December 31, 2006. The increase was primarily due the acquisition of an office building adjacent to our legal and governmental affairs office that we lease in Washington, DC for \$5.7 million.

Investments in affiliates at March 31, 2007, were approximately \$5.1 million, as compared to approximately \$4.7 million at December 31, 2006. The increase was due primarily to an increase in the fair value of our investment in ViRexx Medical Corp., based on quoted market prices.

Accounts payable at March 31, 2007, were approximately \$5.0 million, as compared to approximately \$2.8 million at December 31, 2006. The increase was due generally to the timing of payments to vendors.

Accrued expenses at March 31, 2007, was approximately \$13.8 million, as compared to approximately \$15.3 million at December 31, 2006. The decrease was due primarily to the payout of employee year-end bonuses in March of 2007.

Total stockholders' equity at March 31, 2007, were approximately \$162.4 million, as compared to approximately \$204.6 million at December 31, 2006. For the three-month period ended March 31, 2007, we repurchased approximately 1.2 million shares of our common stock for \$67.1 million which was offset by \$8.0 million from the proceeds from stock option exercises, \$5.5 million from the recognition of stock option expense and \$3.4 million in tax benefits recognized.

## **Results Of Operations**

### ***Three months ended March 31, 2007 and 2006***

Revenues for the three months ended March 31, 2007, were approximately \$40.2 million, as compared to approximately \$33.2 million for the three months ended March 31, 2006.

The following sets forth our revenues by source for the periods presented (in thousands).

|                                    | Revenues for the<br>Three Months Ended<br>March 31, |                  |              |
|------------------------------------|-----------------------------------------------------|------------------|--------------|
|                                    | 2007                                                | 2006             | % Change     |
| Remodulin                          | \$ 38,150                                           | \$ 31,304        | 21.9%        |
| Telemedicine services and products | 1,886                                               | 1,749            | 7.8%         |
| Other products                     | 133                                                 | 111              | 19.8%        |
| Total revenues                     | <u>\$ 40,169</u>                                    | <u>\$ 33,164</u> | <u>21.1%</u> |

Effective January 1, 2007, CuraScript's minimum inventory requirement was reduced from 60 days to 30 days to make their agreement consistent with our other two U.S. distributors. This inventory reduction resulted in a reduction in our first quarter 2007 revenues of approximately \$2 million.

For the three months ended March 31, 2007 and, 2006, approximately 85 percent and 87 percent of our revenues, respectively, were earned from our three distributors located in the United States.

Total revenues are reported net of estimated government rebates, prompt pay discounts and fees due to distributors for services. We pay government rebates to state Medicaid agencies that pay for Remodulin. We estimate our liability for such rebates based on the historical level of government rebates invoiced by state Medicaid agencies relative to U.S. sales of Remodulin. Prompt pay discounts are offered on sales of Remodulin if the related invoices are paid in full generally within 60 days from the date of sale. We estimated our liability for prompt pay discounts based on historical payment patterns. Fees paid to distributors for services are estimated based on contractual rates for specific services applied to estimated units of service provided by the distributors for the period.

A roll forward of the liability accounts associated with estimated government rebates, prompt pay discounts, and fees paid to distributors as well as the net amount of reductions to revenues for these items are presented as follows (in thousands):

|                                                | Three Months Ended<br>March 31, |                 |
|------------------------------------------------|---------------------------------|-----------------|
|                                                | 2007                            | 2006            |
| Liability accounts, at beginning of period     | \$ 2,366                        | \$ 1,590        |
| Additions to liability attributed to sales in: |                                 |                 |
| Current period                                 | 2,463                           | 2,034           |
| Prior period                                   | 264                             | —               |
| Payments or reductions attributed to sales in: |                                 |                 |
| Current period                                 | (432)                           | (361)           |
| Prior period                                   | (2,352)                         | (1,503)         |
| Liability accounts, at end of period           | <u>\$ 2,309</u>                 | <u>\$ 1,760</u> |
| Net reductions to revenues                     | <u>\$ 2,727</u>                 | <u>\$ 2,034</u> |

Research and development expenses consist primarily of salaries and related expenses, costs to acquire pharmaceutical products and product rights for development, and amounts paid to contract research organizations, hospitals and laboratories for the provision of services and materials for drug development and clinical trials. The table below summarizes research and development by major project and non-project components (dollars in thousands):

|                                           | <b>Three Months Ended March 31,</b> |                  | <b>Percentage Change</b> |
|-------------------------------------------|-------------------------------------|------------------|--------------------------|
|                                           | <b>2007</b>                         | <b>2006</b>      |                          |
| <b>Program:</b>                           |                                     |                  |                          |
| Cardiovascular                            | \$ 9,781                            | \$ 8,931         | 9.5%                     |
| Cancer                                    | 2,891                               | 2,055            | 40.7%                    |
| Infectious disease                        | 145                                 | 188              | (22.9)%                  |
| Stock option                              | 2,572                               | 2,321            | 10.8%                    |
| Other                                     | 1,712                               | 1,205            | 42.1%                    |
| Subtotal                                  | 17,101                              | 14,700           | 16.3%                    |
| R&D expense from issuance of common stock | 11,013                              | —                | N/A                      |
| Total research and development expense    | <u>\$ 28,114</u>                    | <u>\$ 14,700</u> | <u>91.3%</u>             |

The increase in cardiovascular expenses was primarily due to expensing a \$3.0 million milestone payment to Toray in connection with the amended beraprost-MR license, offset by a reduction in spending in the oral treprostinil program. During the first quarter of 2006, we purchased and expensed advanced chemical intermediates for the manufacture of oral treprostinil. There were no such purchases in the first quarter of 2007. The increase in expenses for the cancer program is related to the development of our OvaRex manufacturing processes.

The research and development expense from issuance of common stock pertains to the 200,000 shares of our common stock issued to Toray in connection with the amended beraprost-MR license.

Selling, general and administrative expenses consist primarily of salaries, travel, office expenses, insurance, professional fees, provision for doubtful accounts receivable, depreciation and amortization. The table below summarizes selling, general and administrative expenses by major categories (dollars in thousands):

|                                                   | <b>Three Months Ended March 31,</b> |                  | <b>Percentage Change</b> |
|---------------------------------------------------|-------------------------------------|------------------|--------------------------|
|                                                   | <b>2007</b>                         | <b>2006</b>      |                          |
| <b>Category:</b>                                  |                                     |                  |                          |
| General and administrative                        | \$ 7,640                            | \$ 5,064         | 50.9%                    |
| Sales and marketing                               | 4,702                               | 2,874            | 63.6%                    |
| Stock option                                      | 2,822                               | 2,141            | 31.8%                    |
| Total selling, general and administrative expense | <u>\$ 15,164</u>                    | <u>\$ 10,079</u> | <u>50.5%</u>             |

The increase in general and administrative expenses was due primarily to increased expenses of approximately (1) \$817,000 of salaries and related expenses from headcount growth to support expanding operations; (2) \$432,400 of rent expense due to rent on our laboratory facility in Silver Spring, Maryland, which began operations in May 2006; and (3) \$458,300 of other operating expenses supporting the growth in our operations. The increase in sales and marketing related expenses is the result of an increase in salaries and related expenses of \$1.3 million due to an increase in headcount and travel expenses of approximately \$382,000.



A write down of intangible assets related to the HeartBar product tradename totaling approximately \$2.0 million was recorded during the three months ended March 31, 2006. This write down was required since the HeartBar product was discontinued in January 2006 and is no longer sold.

Cost of sales consists of the cost to manufacture or acquire products that are sold to customers. Cost of service sales consists of the salaries and related overhead necessary to provide telemedicine services to customers. Cost of product sales was approximately 10% of net product sales for the three months ended March 31, 2007, which is consistent with approximately 11% for the three months ended March 31, 2006. Cost of service sales was approximately 33% of service sales for the three months ended March 31, 2007, which is consistent with approximately 34% for the three months ended March 31, 2006.

Interest income for the three months ended March 31, 2007, was approximately \$4.1 million, as compared to interest income of approximately \$1.9 million for the three months ended March 31, 2006. The increase was due primarily to an increase in cash invested during 2007 and increased market interest rates.

Equity loss in affiliate represents our share of Northern Therapeutics, Inc.'s losses. The equity loss in affiliate was approximately \$114,000 for the three months ended March 31, 2007, as compared to approximately \$207,000 for the three months ended March 31, 2006. Northern Therapeutics, Inc.'s loss was due primarily to expenditures for its autologous (non-viral vector) gene therapy research for PAH.

An income tax benefit of approximately \$1.4 million was recognized for the three months ended March 31, 2007, as compared to an expense of approximately \$1.9 million recognized for the three months ended March 31, 2006. We recognized a benefit for income taxes as a result of incurring a loss for the three months ended March 31, 2007.

The income tax provision (benefit) is based on the estimated annual effective tax rate for the entire year. The estimated effective tax rate is subject to adjustment in subsequent quarterly periods as the estimates of pre-tax income for the year are increased or decreased. The effective tax rate for the three months ended March 31, 2007 and 2006, was approximately 34 percent and 44 percent, respectively. Until legislation to retroactively reinstate federal tax credits for qualified research expenditures was enacted in October 2006, no benefit from the federal research credit generated during the three months ended March 31, 2006, was included in estimating the 2006 effective tax rate. The cumulative effect of the legislation was recorded in the fourth quarter 2006.

## **Liquidity and Capital Resources**

Until June 1999, we financed our operations principally through private placements of common stock. On June 17, 1999, we completed our initial public offering. Our net proceeds from the initial public offering and sale of the over-allotment shares, after deducting underwriting commissions and offering expenses, were approximately \$56.4 million. In 2000, we issued common stock in two private placements and received aggregate net proceeds of approximately \$209.0 million. Until 2002, we funded the majority of our operations from such net proceeds of equity. Since 2004, we funded the majority of our operations from revenues, mainly Remodulin-related, and this is expected to continue.

Our working capital at March 31, 2007 was approximately \$199.7 million, as compared to approximately \$258.1 million at December 31, 2006. The decrease is primarily due to our purchase of approximately \$67.1 million worth of our common stock during the three months ended March 31, 2007.

At March 31, 2007, restricted cash and marketable investments pledged to secure our obligations under the synthetic operating lease (discussed below under *Off Balance Sheet Arrangement*) totaled approximately \$38.2 million, as compared with approximately \$39.0 million at December 31, 2006.

Net cash provided by operating activities was approximately \$13.1 million for the three months ended March 31, 2007, as compared to approximately \$16.5 million for the three months ended March 31, 2006. The decrease in cash provided by operating activities is due primarily to the \$3.0 million milestone payment to Toray under the amended license agreement. During the three months ended March 31, 2007, we paid approximately \$2.0 million for year-end 2006 incentive bonus payments and recognized an excess tax benefit on stock-based compensation of approximately \$2.4 million which were not present during the three-month period ending March 31, 2006. For the three months ended March 31, 2007, we invested approximately \$8.0 million in cash for property, plant and equipment, as compared to approximately \$1.1 million in the three months ended March 31, 2006. In January 2007, we purchased an office building adjacent to our legal and governmental affairs office which we lease in Washington, DC for \$5.7 million. For the three months ended March 31, 2007, we also received approximately \$8.0 million in stock option exercise proceeds as compared to \$3.5 million in the three months ended March 31, 2006. In addition, during the three months ended March 31, 2007, we repurchased approximately 1.2 million shares of our common stock for \$67.1 million, as compared to no shares for the three months ended March 31, 2006.

We are currently in the planning phase for building an approximately 200,000 square foot facility in Research Triangle Park, North Carolina, which will consist of a manufacturing operation and offices. The manufacturing operation will primarily be for oral treprostinil, although it is expected to support other programs, and the offices will be used by our clinical development and sales and marketing staff, which currently occupy a leased facility in the area. Construction of this facility is expected to begin during the second quarter of 2007 and may take up to two years to complete. The project may cost up to \$100 million, and we expect to fund the construction of this facility from our working capital or other financing arrangements.

Effective March 9, 2007, we entered into a construction management agreement with DPR Construction, Inc. (DPR) based in Falls Church, Virginia. DPR will manage the construction of our manufacturing and office facility in Research Triangle Park, North Carolina. The agreement has a guaranteed maximum price clause in which DPR agrees that the construction cost of the facility will not exceed approximately \$78.0 million, which amount is subject to change based on agreed-upon changes to the scope of work. DPR will be responsible for covering any costs in excess of the guaranteed maximum price. If the ultimate cost of the project is less than the guaranteed maximum, we will share a portion of these savings with DPR. In addition, DPR must pay us penalties if the construction is not completed by February 2009, which date is subject to change based on agreed-upon changes to the scope of work. DPR has no material relationship with us or any of our affiliates.

In addition, we are in the planning phase for a new office and laboratory building which will connect to our current laboratory facility in Silver Spring, Maryland. The building of this facility is anticipated to begin in the latter half of 2007. The costs are still being estimated due to continuing design and related estimation work. We anticipate that the construction of this facility will be financed through a synthetic operating lease.

We made milestone payments totaling \$20,000 pursuant to existing license agreements during each of the three months ended March 31, 2007 and 2006. We are obligated to make royalty payments on sales of Remodulin that exceed annual net sales of \$25.0 million and on all arginine products. Royalties on sales of all products currently marketed range up to 10 percent of sales of those products.

We believe that our existing revenues, together with existing capital resources (comprised primarily of unrestricted cash, cash equivalents and marketable investments), will be adequate to fund our operations. However, any projections of future cash needs and cash flows are subject to substantial uncertainty. See the section entitled *“Part II, Item 1A—Risk Factors—Actual consolidated revenues and net income may be different from published securities analyst projections. In addition, we have a history of losses and may not continue to be profitable”* below .

At March 31, 2007, we had, for federal income tax purposes, net operating loss carryforwards of approximately \$48.3 million and business tax credit carryforwards of approximately \$48.3 million which expire at various dates from 2012 through 2025. The remaining net operating loss carryforwards are attributable to exercised stock options, the benefit of which, when realized, directly increases additional paid-in-capital. Business tax credits can offset future tax liabilities and arise from qualified research expenditures. We have been and may continue to be subject to federal alternative minimum tax and state income taxes, even though we have significant net operating loss and credit carryforwards.

Section 382 of the Internal Revenue Code limits the utilization of net operating losses when ownership changes occur as defined by that section. We have reviewed our ownership change position pursuant to Section 382 through December 31, 2006 and have determined that ownership changes occurred in December 1997, June 1999, and November 2004 and, as a result, the utilization of certain of our net operating loss carryforwards may be limited. However, we do not expect any significant portion of our net operating loss carryforwards or business tax credits will expire unused. A portion of the net operating loss carryforwards continues to be reserved through a valuation allowance as of March 31, 2007.

### ***Convertible Senior Notes***

On October 30, 2006, we issued \$250.0 million of 0.50% Convertible Senior Notes due October 2011 (the Convertible Senior Notes). Proceeds from the offering, after deducting the initial purchaser's, Deutsche Bank Securities Inc. (Deutsche Bank), discount and commission and estimated expenses were approximately \$242.0 million. The Convertible Senior Notes were issued at par value and pay interest in cash semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2007. The Convertible Senior Notes are unsecured unsubordinated obligations and rank equally with all other unsecured and unsubordinated indebtedness. The Convertible Senior Notes have an initial conversion price of \$75.2257 per share. The Convertible Senior Notes may only be converted: (i) anytime after July 15, 2011; (ii) during any calendar quarter commencing after the date of original issuance of the notes, if the closing sale price of our common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the calendar quarter preceding the quarter in which the conversion occurs is more than 120% of the conversion price of the notes in effect on that last trading day; (iii) during the ten consecutive trading-day period following any five consecutive trading-day period in which the trading price for the notes for each such trading day was less than 95% of the closing sale price of our common stock on such date multiplied by the then current conversion rate; or (iv) if specified significant distributions to holders of our common stock are made, specified corporate transactions occur, or our common stock ceases to be approved for listing on The NASDAQ Global Select Market and is not listed for trading on another U.S. national or regional securities exchange. Upon conversion, a holder will receive: (i) cash equal to the lesser of the principal amount of the note or the conversion value; and (ii) to the extent the conversion value exceeds the principal amount of the note, shares of our common stock. In addition, upon a change in control, as defined in the indenture under which the Convertible Senior Notes have been issued, the holders may require us to purchase all or a portion of their Convertible Senior Notes for 100% of the principal amount plus accrued and unpaid interest, if any, plus a number of additional shares of our common stock, as set forth in the related indenture. The indenture under which the Convertible Senior Notes were issued contains customary covenants.

Concurrent with the issuance of the Convertible Senior Notes, we purchased call options on our common stock in a private transaction. The call options allow us to receive up to approximately 3.3 million shares of our common stock from counterparties, equal to the amount of common stock related to the excess conversion value that we would pay to the holders of the Convertible Senior Notes upon conversion. These call options will terminate upon the earlier of the maturity dates of the related Convertible Senior Notes or the first day all of the related Convertible Senior Notes are no longer outstanding due to conversion or otherwise. The call options, which cost approximately \$80.8 million, were recorded as a

reduction of shareholders' equity. The cost of call options for tax purposes creates a tax deduction since it is classified as an Original Issue Discount (OID). The deduction is considered a permanent difference and, as such, does not create a deferred tax asset. The benefit of the deduction is recorded as an increase to additional paid-in-capital.

In a separate transaction, we sold warrants to issue shares of our common stock at an exercise price of \$105.689 per share. Pursuant to this transaction, warrants for approximately 3.3 million shares of our common stock were issued. If the average price of our common stock during a defined period, ending on or about the respective settlement dates, exceeds the exercise price of the warrants, the warrants will be settled in shares of our common stock. Proceeds received from the issuance of the warrants totaled approximately \$45.4 million and were recorded as an increase to additional paid-in-capital.

We also used approximately \$112.4 million of the proceeds from the issuance of the Convertible Senior Notes to repurchase approximately 1.8 million outstanding shares of our common stock as part of this transaction. We intend to use the remainder of the net proceeds for working capital or other general corporate purposes, which may include acquisitions, strategic investments or joint venture arrangements. Including the shares of common stock repurchased as part of the Convertible Senior Note transaction, we have repurchased a total of approximately 3.1 million shares of our common stock for approximately \$182.5 million through March 31, 2007.

### **Off Balance Sheet Arrangement**

In June 2004, we entered into a synthetic operating lease and related agreements with Wachovia Development Corporation and its affiliates (Wachovia) to fund the construction of a laboratory facility in Silver Spring, Maryland. Under these agreements, Wachovia funded \$32.0 million towards the construction of the laboratory facility on land owned by us. The construction phase commenced in 2004 and was completed in May 2006. Following construction, Wachovia leased the laboratory facility to us with a term ending in May 2011. Under the 99-year ground lease, Wachovia will pay fair value rent to us for use of the land both during the construction phase and after the laboratory lease is terminated. During the term of the laboratory lease, Wachovia will pay \$1 per year to us for use of the land.

Wachovia receives rent from us, generally based on applying the 30-day LIBOR rate plus approximately 55 basis points to the amount funded by Wachovia towards the construction of the laboratory. This monthly rent commenced when the laboratory construction was completed and will continue until the termination of the lease in May 2011. Upon termination of the lease, we will generally have the option of renewing the lease (subject to approval of both parties), purchasing the laboratory at a price approximately equal to the funded construction cost, or selling it and repaying Wachovia the cost of its construction. We have guaranteed that if the laboratory is sold, Wachovia will receive at least 86% of the amount it funded towards the construction.

We pledged a portion of our marketable investments as collateral to secure our lease obligations. At March 31, 2007, approximately \$38.2 million of marketable investments and cash were pledged as collateral and are reported as restricted marketable investments and cash in our consolidated balance sheet.

This arrangement enabled us to construct our laboratory facility without using our own working capital. There will not be any depreciation expense associated with the laboratory facility, since these improvements are owned by Wachovia. The amount of rent to be paid to Wachovia during the term of the laboratory lease will vary as it is tied to the then current 30-day LIBOR rate plus approximately 55 basis points. As this rate increases, so will the rent to be paid. Similarly, if this rate decreases, so will the amount of rent to be paid to Wachovia.

Rent payments under the laboratory lease commenced in May 2006 and will continue through termination of the lease in May 2011. Upon the completion of the building in May 2006, Wachovia

advanced to us approximately \$5.2 million, which constituted the remaining funds available for construction due to the lengthy process involved in finalizing construction costs. At March 31, 2007, the remaining construction advance totaled approximately \$436,000 and is classified as other current liability in our balance sheet. When the final construction costs have been agreed upon, any remaining funds that were advanced will be returned to Wachovia. Upon the return of unspent funds, the remaining rent payments will be based on the actual funded costs of the building.

Based on construction costs of approximately \$32.0 million and the current effective rate of approximately 5.9% (equivalent to the current 30-day LIBOR rate plus approximately 55 basis points at March 31, 2007), the rents to be paid are approximately \$1.9 million annually. In addition, Wachovia paid us ground rent of approximately \$307,000 in June 2004 covering the period through May 2011. This amount is being recognized as income ratably through May 2011.

We guaranteed a minimum residual value of the laboratory facility. This guaranteed residual is generally equal to 86% of the amount funded by Wachovia towards construction. If, at the end of the lease term, we do not renew the lease or purchase the improvements, then the building will be sold to a third party. In that event, we have guaranteed that Wachovia will receive at least this residual value amount. The maximum potential amount of this guarantee is approximately \$27.5 million, equivalent to 86% of total expected construction costs of \$32.0 million. We have reported this guarantee as a non-current asset (prepaid rent) and non-current liability (other liability). We have estimated the fair value of this guarantee liability and the corresponding asset at approximately \$692,000, net of accumulated amortization at March 31, 2007.

The laboratory lease and other agreements require, among other things, that we maintain a consolidated net worth of at least \$70.0 million. The agreements contain other covenants and conditions with which we must comply throughout the lease periods and upon termination of the lease. If we were unable to comply with these covenants and conditions, if the noncompliance went uncured, and if the parties could not agree otherwise, the agreements could terminate. A termination of these agreements could result in our acquisition of the improvements from Wachovia or the loss of our liquid collateral.

### Contractual Obligations

At March 31, 2007, we had contractual obligations coming due approximately as follows (in thousands):

|                                                                                 | Payment Due In    |                 |                  |                   |                 |
|---------------------------------------------------------------------------------|-------------------|-----------------|------------------|-------------------|-----------------|
|                                                                                 | Total             | 2007            | 2008 to 2009     | 2010 to 2011      | 2012 and Later  |
| Notes payable and capital lease obligations(1)                                  | \$ 256,237        | \$ 1,215        | \$ 2,522         | \$ 252,500        | \$ —            |
| Operating lease obligations                                                     | 11,530            | 2,333           | 5,828            | 3,264             | 105             |
| Construction agreement(2)                                                       | 436               | 436             | —                | —                 | —               |
| Purchase obligations(3)                                                         | 4,566             | 566             | 2,000            | 2,000             | —               |
| Other long-term liabilities reflected in the statement of financial position(4) | 692               | —               | —                | 692               | —               |
| Milestone payments(5)                                                           | 25,545            | 2,170           | 10,340           | 10,015            | 3,020           |
|                                                                                 | <u>\$ 299,006</u> | <u>\$ 6,720</u> | <u>\$ 20,690</u> | <u>\$ 268,471</u> | <u>\$ 3,125</u> |

- (1) In October 2006, we issued \$250.0 million aggregate principal amount of Convertible Senior Notes. The principal balance of the notes is repaid in cash with any increase of our stock price above \$75.22 paid in our stock. While the notes can be redeemed by the bondholder once our stock price exceeds \$75.22, we have assumed that the bondholders will hold the bonds until maturity.

- (2) Upon the completion of our laboratory in May 2006, Wachovia advanced to us the remaining funds available for construction due to the lengthy process involved in finalizing construction costs. When the final construction costs have been agreed upon, any remaining funds that were advanced will be returned to Wachovia. At March 31, 2007, the remaining construction advance totaled approximately \$436,000 and is classified as other current liability in our balance sheet .
- (3) Includes specified payments to Toray for clinical trial material.
- (4) Upon termination of the lease with Wachovia for the laboratory facility, we will generally have the option of renewing the lease, purchasing the laboratory or selling it and repaying Wachovia the cost of its construction. We guaranteed that if the laboratory is sold, Wachovia will receive at least 86% of the amount it funded towards the construction. We estimate that the laboratory will cost approximately \$32.0 million to construct and the guarantee is estimated at approximately \$27.5 million. The estimated fair value of the guarantee is included in other long-term liabilities reflected in the statement of financial position. See the section entitled “ *Off Balance Sheet Arrangement*” above for additional information.
- (5) We licensed certain products from other companies under certain license agreements. These agreements generally include milestone payments to be paid in cash by us upon the achievement of certain product development and commercialization goals set forth in each license agreement. Total milestone payments under these license agreements have been estimated based on the assumption that the products will be successfully developed and on the estimated timing of these development and commercialization goals.

### **Summary of Critical Accounting Policies**

The preparation of our consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgments, which are based on historical and anticipated results and trends and on various other assumptions that we believe are reasonable under the circumstances, including assumption as to future events. By their nature, estimates are subject to an inherent degree of uncertainty and, as such, actual results may differ from our estimates. We discuss accounting policies and assumptions that involve a higher degree of judgment and complexity than others in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report to shareholders on Form 10-K for the year ended December 31, 2006.

### **Recent Accounting Pronouncements**

#### ***Fair Value Measurements***

In September 2006, the FASB issued SFAS 157, *Fair Value Measurements* . SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the impact the adoption of this statement could have on our financial condition, results of operations or cash flows.

### ***Uncertain Tax Positions***

In July 2006, the FASB issued FIN 48, *Accounting for Uncertainty in Income Taxes*, an interpretation of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The interpretation applies to all tax positions related to income taxes subject to SFAS 109. FIN 48 is effective for fiscal years beginning after December 15, 2006. We adopted this interpretation without a significant impact on our financial condition, results of operations or cash flows.

### ***Hybrid Financial Instruments***

In February 2006, the FASB issued SFAS 155, *Accounting for Certain Hybrid Financial Instruments* which amends SFAS 133, *Accounting for Derivative Instruments and Hedging Activities* and SFAS 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. SFAS 155 simplifies the accounting for certain derivatives embedded in other financial instruments by allowing them to be accounted for as a whole if the holder elects to account for the whole instrument on a fair value basis. SFAS 155 also clarifies and amends certain other provisions of SFAS 133 and SFAS 140. SFAS 155 is effective for all financial instruments acquired, issued or subject to a remeasurement event occurring in fiscal years beginning after September 15, 2006. We do not believe the adoption of this statement will have a material impact on our financial condition, results of operations or cash flows.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

At March 31, 2007, a substantial portion of our assets consisted of federally-sponsored agencies and corporate debt securities. The market value of these investments fluctuates with changes in current market interest rates. In general, as rates increase, the market value of a debt investment would be expected to decrease. Likewise, as rates decrease, the market value of a debt investment would be expected to increase. To minimize such market risk, we hold such instruments to maturity at which time these instruments will be redeemed at their stated or face value. At March 31, 2007, we had approximately \$166.0 million in debt securities issued by federally-sponsored agencies and corporate issuers with a weighted average stated interest rate of approximately 4.7 percent maturing through March 2012 and callable annually. The fair market value of this held-to-maturity portfolio at March 31, 2007 was approximately \$164.4 million.

At March 31, 2007, a portion of our assets was comprised of auction rate debt securities issued by state-sponsored agencies. While these securities have long term maturities, their interest rates are reset approximately every 7-28 days through an auction process. As a result, the interest income from these securities is subject to market risk since the rate is adjusted to accommodate market conditions on each reset date. However, since the interest rates are reflective of current market conditions, the fair value of these securities typically does not fluctuate from par or cost. At March 31, 2007, we had approximately \$15.8 million in these debt securities with a weighted average stated interest rate of approximately 5.3 percent. The fair market value of these available-for-sale debt securities as of March 31, 2007, was approximately \$15.8 million.

In June 2004, we entered into a synthetic operating lease and related agreements with Wachovia to fund the construction of a laboratory facility in Silver Spring, Maryland. Under these agreements, we pay rent to Wachovia generally based on applying the 30-day LIBOR rate plus approximately 55 basis points to the amount funded by Wachovia towards the construction of the laboratory. The total amount of construction is estimated to be approximately \$32.0 million. This rent, therefore, is subject to the risk that the LIBOR rate will increase or decrease during the period until termination in May 2011. At March 31, 2007, the 30-day LIBOR rate was approximately 5.3%. For every movement of 100 basis points (1%) in the

30-day LIBOR rate, the rent under this lease could increase or decrease by approximately \$320,000 on an annualized basis.

**Item 4. Controls and Procedures**

Based on their evaluation, as of March 31, 2007, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, summarized, processed and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. There have been no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.



## **Part II. OTHER INFORMATION**

### **ITEM 1A. RISK FACTORS**

#### **Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 (the Exchange Act) and the Private Securities Litigation Reform Act of 1995 which are based on our beliefs and expectations as to future outcomes. These statements include, among others, statements relating to the following:

- Expectations of revenues and profitability;
- The timing and outcome of clinical studies and regulatory filings;
- The achievement and maintenance of regulatory approvals;
- The availability of drug product;
- The ability to find alternate sources of supply and manufacturing for our products;
- The existence and activities of competitors;
- The expectation not to pay dividends on common stock in the foreseeable future;
- The pricing of Remodulin;
- The dosing and rate of patient consumption of Remodulin;
- The expectation of reimbursement by third-party payers for intravenous Remodulin and the impact of any regulatory changes to the level of reimbursement;
- The expected levels and timing of bulk purchases of chemicals used to manufacture the various forms of treprostinil, the active ingredient of Remodulin and our inhaled and oral formulations;
- The expected impact of CuraScript's inventory reduction from 60 days to 30 days;
- The outcome of potential future regulatory actions from the FDA and other international regulatory agencies and any actions that may or may not be taken by the FDA and other international regulatory agencies as a result of any such regulatory actions;
- The rate of physician and patient acceptance of our products as safe and effective;
- The development and sale of products covered by licenses and assignments;
- The adequacy of our intellectual property protections and their expiration dates;
- The outcome of any litigation in which we are or become involved;
- The ability of third parties to develop, market, distribute and sell our products;
- The composition of our management team;
- The adequacy of our insurance coverage;
- The ability to obtain financing in the future;
- The value of our common stock;
- The expectation of future repurchases of our common stock, including those shares subject to repurchase from Toray;
- The funding of operations from future revenues;

- The expectation of continued profits or losses;
- Expectations concerning milestone and royalty payments in 2007 and beyond;
- Expectations of receiving clinical trial matter and related documentation from Toray prior to the end of 2007;
- Expectations concerning payments of contractual obligations in all future years and their amounts;
- The use of net operating loss carryforwards and business tax credit carryforwards, the tax impact of our hedging contracts entered into in connection with the convertible debt offering and the impact of Section 382 of the Internal Revenue Code on their use;
- Income tax expenses and benefits in current and future periods;
- The completion of in-process research and development projects and their impact on our business;
- The pace and timing of enrollment in clinical trials;
- The expectation, outcome and timing of new and continuing regulatory approvals;
- The timing, resubmission, completion and outcome of the applications for approval of subcutaneous Remodulin in Ireland, Spain and the United Kingdom;
- The timing, completion and outcome of pricing approvals in European Union countries that approve subcutaneous Remodulin;
- The expectation, outcome and timing of marketing approvals in European Union countries for intravenous Remodulin;
- The expected timing of milestone payments from Mochida and commercial activities in Japan;
- The expected revenue recognition of milestone payments from Mochida;
- The expected levels and timing of Remodulin sales;
- The adequacy of our resources to fund operations;
- The expectation, outcome and timing of validation of, and level of spending to validate, our newly-constructed laboratory production facility in Silver Spring, Maryland;
- The potential amount of the minimum residual value guarantee under our synthetic lease agreement with Wachovia Bank, N.A. and Wachovia Development Corporation relating to our facility in Silver Spring, Maryland;
- The expected amounts and timing of resources for the construction of facility projects in Research Triangle Park, North Carolina and the expectation to finance the construction of our new facility in Silver Spring, Maryland;
- Events that could occur upon termination of the Wachovia synthetic lease and related agreements;
- The potential impacts of new accounting standards;
- Our intent and ability to hold certain marketable investments until maturity;
- Any statements preceded by, followed by or that include the words “believes,” “expects,” “predicts,” “anticipates,” “intends,” “estimates,” “should,” “may” or similar expressions; and
- Other statements contained or incorporated by reference in this Quarterly Report on Form 10-Q that are not historical facts.

The statements identified as forward-looking statements may exist in the section entitled “ *Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations*” above or elsewhere in this Quarterly Report on Form 10-Q. These statements are subject to risks and uncertainties and our actual results may differ materially from anticipated results. Factors that may cause such differences include, but are not limited to, those discussed below. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Unless the context requires otherwise or unless otherwise noted, all references in this section to “United Therapeutics” and to the “company”, “we”, “us” or “our” are to United Therapeutics Corporation and its subsidiaries.

***Actual consolidated revenues and net income (loss) may be different from published securities analyst projections. In addition, we have a history of losses and may not continue to be profitable.***

Many independent securities analysts have published quarterly and annual projections of our revenues and profits. These projections were made independently by the securities analysts based on their own analysis. Such estimates are inherently subject to a degree of uncertainty. As a result, the actual revenues and net income may be greater or less than projected by such securities analysts. Even small variations in reported revenues and profits as compared to securities analysts’ expectations can lead to significant changes in our stock price.

Although we were profitable for every quarter ended after March 31, 2004, during the three months ending March 31, 2007, we paid Toray approximately \$14.0 million in cash and stock for a license fee. These amounts were expensed since the licensed product does not have economical viability. If it were not for the expensing of these payments, we would have been profitable for the quarter. At March 31, 2007, our accumulated deficit was approximately \$44.1 million.

Factors that could affect consolidated revenues and profitability and cause our quarterly and annual operating results to fluctuate include the following:

- Extent and timing of sales of Remodulin to distributors;
- Levels of Remodulin inventory held by our distributors, their compliance with contractual inventory requirements and changes to those levels from quarter to quarter;
- Level of patient demand for Remodulin and other products;
- Status and impact of other approved competitive products such as Ventavis<sup>®</sup>, Revatio, Tracleer and Flolan and investigational competitive products such as ambrisentan, Thelin<sup>™</sup>, Cialis<sup>®</sup>, Gleevec<sup>®</sup> and other potential investigational competitive products;
- Changes in prescribers’ opinions about Remodulin;
- Impact of medical and scientific opinion about our products;
- Levels of research and development, selling, general and administrative expenses;
- Timing of payments to licensors and corporate partners;
- Retention and growth of patients treated with Remodulin;
- Remodulin side effects, including impact of infusion site pain and reaction from subcutaneous use of Remodulin;
- Changes in the current pricing and dosing of Remodulin;
- Changes in the length of time that Remodulin vials may be used by patients;

- Changes in the pricing of other therapies approved for PAH, including possible generic formulations of other approved therapies, such as Flolan, which may be sold in generic form beginning in May 2007;
- The ability of our distributors to transition to the use of other infusion pumps currently available on the market due to Medtronic's discontinuance of the 407C infusion pump;
- Willingness of private insurance companies, Medicare and Medicaid to reimburse Remodulin at current pricing levels;
- Impacts of new legislation and regulations and changes to the Medicare and Medicaid programs;
- Our ability to maintain regulatory approval of Remodulin in the United States and other countries;
- Additional regulatory approvals for Remodulin in countries other than where it is currently sold;
- Continued performance by current Remodulin distributors under existing agreements;
- Size, scope and outcome of development efforts for existing and additional products;
- Future milestone and royalty payments under license and other agreements;
- Cost, timing and outcomes of regulatory reviews;
- Rate of technological advances;
- Our ability to establish, defend and enforce intellectual property rights;
- Development of manufacturing resources or the establishment, continuation or termination of third-party manufacturing arrangements;
- Establishment, continuation or termination of third-party clinical trial arrangements;
- Development of sales and marketing resources or the establishment, continuation or termination of third-party sales and marketing arrangements;
- Impact of any regulatory restrictions on our marketing and promotional activities;
- Recovery of goodwill, intangible assets and investments in affiliates;
- Collection of accounts receivable and realization of inventories;
- Risks associated with acquisitions, including the ability to integrate acquired businesses;
- Unforeseen expenses;
- Actual growth in sales of telemedicine and arginine products;
- Actual expenses incurred in future periods; and
- Completion of additional acquisitions and execution of license agreements.

Most of our pharmaceutical products are in clinical studies. We might not maintain or obtain regulatory approvals for our pharmaceutical products and may not be able to sell our pharmaceutical products commercially. Even if we sell our products, we may not be profitable and may not be able to sustain any profitability we achieve.

For the treatment of PAH, we compete with many approved products in the United States and worldwide, including the following:

- Flolan was the first product approved by the FDA for treating PAH and has been marketed by GlaxoSmithKline PLC since 1996 and, beginning in the second quarter of 2006, by Myogen, Inc. On

November 17, 2006, Myogen was acquired by Gilead Sciences, Inc., which is regarded as a large and successful biotechnology company in the United States. Generic formulations of Flolan could be available for commercial sale as early as May 2007. Flolan is delivered by intravenous infusion and considered to be an effective treatment by most PAH experts.

- Ventavis was approved in December 2004 in the United States and in September 2003 in Europe. Ventavis is the only prostacyclin that has been approved for inhalation, whereas Remodulin is only currently approved to be delivered through intravenous or subcutaneous infusion. Ventavis was initially marketed by CoTherix, Inc. in the United States and Schering AG in Europe. In January 2007, CoTherix was acquired by Actelion Ltd, the manufacturer and distributor of Tracleer, which is regarded as a successful biotechnology company.
- Tracleer, the first oral drug to be approved for PAH, is also the first drug in its class, known as endothelin receptor antagonists. Tracleer was approved in December 2001 in the United States and May 2002 in Europe. Tracleer is marketed by Actelion Ltd worldwide. As an oral therapy, Tracleer is a very convenient therapy; and
- Revatio was approved in June 2005 in the United States. Revatio is also an oral therapy and is marketed by Pfizer, Inc. Revatio is a different formulation of the very successful drug Viagra and is the first drug in its class, known as PDE-5 inhibitors, to be approved for PAH.

Doctors may reduce the dose of Remodulin they give to their patients if they prescribe our competitors' products in combination with Remodulin. In addition, certain of our competitors' products are less invasive than Remodulin and the use of these products may delay or prevent initiation of Remodulin therapy. Finally, as a result of Actelion's recent acquisition of CoTherix, Actelion now controls two of the five therapies approved for PAH in the United States. In addition to reducing competition through this consolidation, because Actelion is dominant in the sales and marketing of oral PAH therapies, it may bring its considerable influence with prescribers to the sales and marketing of Ventavis.

Many companies are marketing and developing products containing arginine that compete with our product line. Many local and regional competitors and a few national competitors provide cardiac Holter and event monitoring services and systems that compete with our telemedicine products. A number of drug companies are pursuing treatments for ovarian and other cancers and hepatitis that will compete with any products we may develop from our immunotherapeutic monoclonal antibody platform and glycobiology antiviral agents' platform.

#### **Discoveries or developments of new technologies by others may make our products obsolete or less useful.**

Other companies may make discoveries or introduce new products that render all or some of our technologies and products obsolete or not commercially viable. Researchers are continually making new discoveries that may lead to new technologies that treat the diseases for which our products are intended. In addition, alternative approaches to treating chronic diseases, such as gene therapy, may make our products obsolete or noncompetitive. Other investigational therapies for PAH could be used in combination with Remodulin. If this happens, doctors may reduce the dose of Remodulin they give to their patients. This could result in less Remodulin being used by such patients and, hence, reduced sales of Remodulin.

**We are aware of investigational products being developed for the treatment of PAH with which our products may have to compete.**

Remodulin and our other treprostinil-based products may have to compete with investigational products currently being developed by other companies, including:

- Sitaxsentan (Thelin) is being developed by Encysive Pharmaceuticals, Inc. (Encysive) worldwide for the treatment of PAH. Encysive has completed testing of Thelin, an oral tablet, and, based on favorable results, has filed for approval with the FDA in the United States. In July 2006, Encysive announced that the FDA determined that Thelin was approvable with one substantive item remaining unresolved. In December 2006, Encysive announced that the FDA had accepted for review its complete response to its FDA's July 2006 approvable letter. In August 2006, Encysive announced that Thelin received marketing authorization in all nations in the European Union. If approved in the United States, Thelin would become the second drug available in the class known as endothelin receptor antagonists;
- Ambrisentan is being developed by Gilead Sciences, Inc. for the treatment of PAH. Ambrisentan, an oral tablet, has completed pivotal clinical testing and is also an endothelin receptor antagonist. In February 2007, Gilead Sciences announced that its New Drug Application for ambrisentan was accepted by the FDA for six-month priority review. Gilead Sciences is regarded as a large and successful biotechnology company in the United States;
- Cialis is an approved oral treatment for erectile dysfunction and is currently marketed by Lilly ICOS LLC, a joint venture of Eli Lilly and Company and ICOS Corporation. Cialis is currently being studied in patients with PAH, and is in the same class of drugs as Revatio. On October 17, 2006, ICOS Corporation announced that it signed a merger agreement to be acquired by Eli Lilly and Company, which is a large and successful pharmaceutical company in the United States;
- Gleevec is an approved oral treatment for chronic myeloid leukemia (a cancer of the blood and bone marrow) and is currently marketed by Novartis Pharmaceuticals Corporation. Recently, researchers experienced in PAH have conducted studies of Gleevec and believe that it may be effective in treating PAH;
- Aviptadil, an inhaled formulation of vasoactive intestinal peptide, is being developed by mondoBIOTECH Holding SA, for the treatment of PAH. In September 2006, mondoBIOTECH announced that it had outlicensed Aviptadil for the treatment of PAH to Biogen-Idec Inc., which is regarded as a large and successful biotechnology company in the United States;
- PRX-08066, a serotonin receptor 5-HT<sub>2B</sub> antagonist, is being developed by Predix Pharmaceuticals Holdings, Inc., as an oral tablet for the treatment of PAH. Two Phase I clinical trials of PRX-08066 are being conducted in healthy volunteers;
- PulmoLAR™ is being developed by PR Pharmaceuticals, Inc. It is a once-a-month injectible therapy which contains a metabolite of estradiol and has been shown in animal and cell models to address certain processes associated with PAH;
- Oral and inhaled formulations of Fasudil, a rho-kinase inhibitor, are being developed by Actelion Ltd for the treatment of PAH. Fasudil is currently approved in Japan as an intravenous drug to treat a disease unrelated to PAH;
- Sorafenib, marketed by Bayer AG as Nexavar® for advanced renal cell cancer, is a small molecule which inhibits Raf kinase and which may interfere with the thickening of blood vessel walls associated with PAH. A Phase 1 clinical trial in PAH has been proposed; and

- Recombinant Elafin, being developed by PROTEO Biotech AG, is a protein that is produced naturally in the body that may inhibit inflammatory reactions. In February 2007, Elafin recently was granted orphan product status in the European Union for the treatment of PAH and chronic thromboembolic pulmonary hypertension.

There may be additional drugs in development for PAH and there may also be currently approved drugs that may be effective in treating the disease. If any of these drugs in development or other currently approved drugs are used to treat PAH, sales of Remodulin may fall.

**If third-party payers will not reimburse patients for our drug products or if third-party payers limit the amount of reimbursement, our sales will suffer.**

Our commercial success depends heavily on third-party payers, such as Medicare, Medicaid and private insurance companies, agreeing to reimburse patients for the costs of our pharmaceutical products. These third-party payers frequently challenge the pricing of new and expensive drugs, and it may be difficult for distributors selling Remodulin to obtain reimbursement from these payers. Remodulin and the associated infusion pump and supplies are very expensive. We believe our investigational products, if approved, will also be very expensive. Presently, most third-party payers, including Medicare and Medicaid, reimburse patients for the cost of Remodulin therapy. In the past, Medicare has not reimbursed the full cost of the therapy for some patients. Beginning on January 1, 2007, the Medicare Modernization Act requires that we and the Centers for Medicare and Medicaid Services negotiate a new price for Remodulin. Third-party payers may not approve our new products for reimbursement or may not continue to approve Remodulin for reimbursement, or may seek to reduce the amount of reimbursement for Remodulin based on changes in pricing of other therapies for PAH, including possible generic formulations of other approved therapies, such as Flolan, which may be sold in generic form beginning in May 2007. If third-party payers do not approve a product of ours for reimbursement or limit the amount of reimbursement, sales will suffer, as patients could opt for a competing product that is approved for reimbursement.

**We rely on third parties to develop, market, distribute and sell most of our products and those third parties may not perform.**

We are currently marketing products in three of our five therapeutic platforms: Remodulin in our prostacyclin analog platform, products in our arginine formulations platform, and CardioPAL<sup>®</sup> cardiac event monitors and Holter monitors in our telemedicine platform. We do not have the ability to independently conduct clinical studies, obtain regulatory approvals, market, distribute or sell most of our products and intend to rely substantially on experienced third parties to perform all of those functions. We may not locate acceptable contractors or enter into favorable agreements with them. If third parties do not successfully carry out their contractual duties or meet expected deadlines, we might not be able to obtain marketing approvals and sell our products.

Until November 14, 2006, Medtronic MiniMed was our exclusive partner for the subcutaneous delivery of Remodulin using the MiniMed microinfusion device for PAH. Medtronic had advised us that it intended to discontinue making infusion pumps for subcutaneous delivery of Remodulin after first giving us and our distributors the opportunity to purchase desired quantities. On November 14, 2006, we mutually agreed with MiniMed to terminate our contract. We relied on Medtronic MiniMed's experience, expertise and performance in supplying the infusion pumps. Any disruption in the supply to PAH patients of infusion devices could delay or prevent patients from initiating or continuing Remodulin therapy, which could adversely affect our revenues. Doctors and patients may not be able to obtain acceptable substitute delivery devices to replace the MiniMed microinfusion devices when the available supply held by our distributors has been depleted.

Similarly, we rely on Accredo Therapeutics, Inc. (a wholly-owned subsidiary of Medco Health Solutions, Inc.), CuraScript (a wholly-owned subsidiary of Express Scripts, Inc. and formerly Priority Healthcare Corporation) and Caremark, Inc. (which has merged with CVS Corporation) to market, distribute, and sell Remodulin in the United States. Accredo, CuraScript and Caremark are also responsible for convincing third-party payers to reimburse patients for the cost of Remodulin, which is very expensive. If our distribution partners and contractors do not achieve acceptable profit margins, they may not continue to distribute our products. If our distribution partners in the United States and internationally are unsuccessful in their efforts, our revenues will suffer.

During 2005 and early 2007, all of our Remodulin distributors in the United States were sold to larger companies. When these distributors were independently managed, the Remodulin franchise was a more significant business to them, because they were much smaller. As divisions or subsidiaries of much larger companies, however, Remodulin could be much less significant to these distributors. There can be no assurance that a merger among our distributors will not adversely affect Remodulin distribution. In addition, we have been informed that, effective January 1, 2007, Accredo is the exclusive U.S. distributor for Flolan. It is possible that our distributors may devote fewer resources to the distribution of Remodulin. If so, this may negatively impact our sales.

**If we cannot maintain regulatory approvals for our products, we cannot sell those products and our revenues will suffer.**

The process of obtaining and maintaining regulatory approvals for new drugs is lengthy, expensive and uncertain. The manufacture, distribution, advertising and marketing of these products are subject to extensive regulation. Any new product approvals we receive in the future could include significant restrictions on the use or marketing of the product. Product approvals, if granted, can be withdrawn for failure to comply with regulatory requirements, including those relating to misleading advertising or upon the occurrence of adverse events following commercial introduction of the products. We received one warning letter from the FDA related to advertising in 2005, which was resolved satisfactorily.

We rely heavily on sales of Remodulin. During the three months ended March 31, 2007, our Remodulin sales accounted for 95% of our total revenues. If approvals are withdrawn for Remodulin or any other product, we cannot sell that product and our revenues will suffer. In addition, if product approvals are withdrawn, governmental authorities could seize our products or force us to recall our products.

**Our products may not be commercially successful because physicians and patients may not accept them.**

Even if regulatory authorities approve our products, they may not be commercially successful. We expect that most of our products, including Remodulin, which is already approved by the FDA, will be very expensive. Patient acceptance of and demand for our products will depend largely on the following factors:

- Acceptance by physicians and patients of our products as safe and effective therapies;
- Willingness of payers to reimburse and the level of reimbursement of drug and treatment costs by third-party payers such as Medicare, Medicaid and private insurance companies;
- Safety, efficacy, pricing and convenience of alternative products;
- Convenience and ease of administration of our products; and
- Prevalence and severity of side effects associated with our products, including the infusion site pain and reaction associated with the use of subcutaneous Remodulin and the risk of line infections or sepsis associated with the use of intravenous Remodulin.



**Reports of side effects, such as sepsis, associated with intravenous Remodulin could cause physicians and patients to not accept Remodulin or to cease to use Remodulin in favor of alternative treatments.**

Sepsis is a serious and potentially life-threatening infection of the bloodstream caused by a wide variety of bacteria. Intravenous prostacyclins are infused continuously through a catheter placed in patients' chests, and sepsis is an expected consequence of this type of delivery. As a result, sepsis is included as a risk in both the Remodulin and Flolan package inserts. The Flolan package insert specifically documents the risk rate of sepsis at 0.32 events per patient per year, meaning one patient out of every three taking the drug is expected to have a sepsis infection each year. Or, each patient on Flolan is expected to have one sepsis infection every three years. The Remodulin package insert notes that two out of 38 patients experienced catheter-related infections in an open-label 12-week study, but does not provide any data relating to expected risk rate. Historical data on intravenous prostacyclin administration does not identify the specific types of bacteria responsible for these infections.

In February 2007, the Scientific Leadership Committee (SLC) of the Pulmonary Hypertension Association announced new guidance relating to the treatment of PAH patients on long-term intravenous therapy. The SLC guidance was issued in response to the release of a slide presentation prepared by researchers with the U.S. Centers for Disease Control and Prevention (CDC) entitled "*Bloodstream infections among patients treated with intravenous epoprostenol and intravenous treprostinil for pulmonary arterial hypertension, United States 2004–2006*". These slides accompanied a presentation to the SLC and were subsequently published as a report in the CDC's *Morbidity and Mortality Weekly Report* on March 2, 2007. The slides and report were prepared in connection with a CDC retrospective inquiry at seven centers regarding a report of increased blood stream infections, particularly gram-negative blood stream infections, among PAH patients treated with intravenous Remodulin as compared to intravenous Flolan. The SLC guidance statement noted that the CDC observations were hypothesis-generating and did not permit definitive or specific conclusions. The SLC reminded physicians of the need to be aware of the range of possible gram negative and gram positive infectious organisms in patients with long-term central catheters and to treat them appropriately. In response to the SLC guidance statement, we are planning to commence a multi-center, multi-national, multi-year and multi-agent prospective study to scientifically test the hypothesis of whether there are differences in the risk of sepsis and sepsis sub-types among parenterally-delivered prostanoids. We anticipate this study to enroll several hundred patients, which enrollment could commence later this year. We also plan to coordinate a working group with the Pulmonary Hypertension Association and physicians and nurses, along with its network of specialty distributors and home health care providers, to develop unified best practice recommendations related to the chronic administration of IV prostanoids via central venous catheters. Finally, we have submitted revised Remodulin package labeling to more fully describe the known infection risk and appropriate technique that should be practiced when preparing and administering Remodulin intravenously.

Although the risk of sepsis is currently included in the Remodulin label, and the occurrence of sepsis is familiar to physicians who treat PAH patients, concern about bloodstream infections may adversely impact physicians' prescribing practices in regard to Remodulin. If that occurs, Remodulin sales could suffer and our profitability could be adversely impacted.

**We have limited experience with production and manufacturing and depend on third parties, who may not perform, to synthesize and manufacture many of our products.**

Prior to our 1999 acquisition of SynQuest, Inc., a company that manufactured treprostinil, the bulk active ingredient in Remodulin, we had no experience with manufacturing. Presently, commercial treprostinil is being manufactured only by us with reliance on third parties for certain raw and advanced intermediate materials.

The OvaRex material that is currently being used in our studies was made by a contract manufacturer and will expire in early 2008. In 2007, we plan to make the OvaRex antibody for the first time ourselves, in

our new Silver Spring laboratory. Biological drugs are generally the most complex drugs to manufacture, and we have never attempted to manufacture them in-house before. After we manufacture our own OvaRex, we must then demonstrate that it is comparable to the drug used in the Phase III clinical trials. Even if our OvaRex trials are successful, we will not be able to obtain approval for OvaRex unless we can demonstrate that the OvaRex antibody we manufacture is comparable to the drug used in the trials. If we cannot demonstrate the comparability prior to the expiration date, then we may have to repeat the OvaRex trials with the new drug that we manufacture. Although our laboratory is completed and is occupied by our personnel, we are still performing test runs and finalizing procedures for our developmental production runs prior to our process scale-up and validation production runs of OvaRex. In addition, we are working with our builders to complete or repair certain aspects of our laboratory. We have commenced process scale-up and are pursuing FDA validation production of this facility.

We rely on third parties for the manufacture of all our products other than treprostinil. We rely on Baxter Healthcare Corporation for the formulation of Remodulin from treprostinil. We rely on Cardinal Health, Inc. for conducting stability studies on Remodulin, formulating treprostinil for inhalation use, formulating tablets for the oral clinical trials, and analyzing other products that we are developing. We rely on MSI of Central Florida, Inc. to manufacture our telemedicine devices. We rely on other manufacturers to make our investigational drugs and devices for use in trials.

Although there are few companies that could replace each of these suppliers, we believe that other suppliers could provide similar services and materials. A change in suppliers, however, could cause a delay in distribution of Remodulin and other products, and in the conduct of clinical trials and commercial launch, which would adversely affect our research and development efforts and future sales efforts.

Our manufacturing strategy presents the following risks:

- The manufacturing processes for some of our products have not been tested in quantities needed for commercial sales;
- Delays in scale-up to commercial quantities and process validation could delay clinical studies, regulatory submissions and commercialization of our products;
- A long lead time is needed to manufacture treprostinil and Remodulin, and the manufacturing process is complex;
- We and the manufacturers and formulators of our products are subject to the FDA's and international drug regulatory authorities' good manufacturing practices regulations and similar international standards, and although we control compliance issues with respect to synthesis and manufacturing conducted internally, we do not have control over compliance with these regulations by our third-party manufacturers;
- Even if we and the manufacturers and formulators of our products comply with the FDA's and international drug regulatory authorities' good manufacturing practices regulations and similar international standards, the sterility and quality of the products being manufactured and formulated may be deficient. If this occurred, such products would not be available for sale or use;
- If we have to change to another manufacturing or formulation contractor for any reason or abandon our own manufacturing operations, the FDA and international drug regulators would require new testing and compliance inspections, and the new manufacturer would have to be educated in the processes necessary for the validation and production of the affected product. We were recently notified that Cardinal Health intends to sell its formulation business and there can be no assurances that a purchaser of this business will continue formulating treprostinil for both our inhalation and oral clinical trials;

- We may not be able to develop or commercialize our products, other than Remodulin, as planned or at all and may have to rely solely on internal manufacturing capacity;
- We are transferring our entire drug laboratory operations to the Silver Spring, Maryland facility we recently built, and such transfer could result in manufacturing inefficiencies or delays because the building, equipment and many of the employees being deployed there will be new to the process of making our products. Additionally, the FDA and international drug regulators will require new testing and compliance inspections for approval of the facility, and this could result in delays;
- The supply of raw and advanced intermediate materials and components used in the manufacture and packaging of treprostinil, Remodulin and other products may be interrupted, which could delay the manufacture and subsequent sale of such products. Any proposed substitute materials and components are subject to approval by the FDA and international drug regulators before any manufactured product can be sold. The timing of such FDA and international drug regulatory approval is difficult to predict and approvals may not be timely obtained;
- Without substantial experience in operating our new production facility, we may not be able to successfully produce treprostinil without a third-party manufacturer; and
- We may not have intellectual property rights, or may have to share intellectual property rights, to many of the improvements in the manufacturing processes or new manufacturing processes for our new products.

Any of these factors could delay clinical studies or commercialization of our products, entail higher costs, and result in our inability to effectively sell our products.

**If our products fail in clinical studies, we will not be able to obtain or maintain FDA and international approvals and will not be able to sell those products.**

In order to sell our pharmaceutical products, we must receive regulatory approvals. To obtain those approvals, we must conduct clinical studies demonstrating that the drug product, including its delivery mechanism, is safe and effective. If we cannot obtain approval from the FDA and international drug regulators for a product, that product cannot be sold, and our revenues will suffer.

We are conducting a Phase III clinical study of Viveta, an inhaled formulation of treprostinil, and Phase II/III clinical studies of an oral formulation of treprostinil. Our lead glycobiology antiviral agent, UT-231B, completed a Phase II, proof-of-concept study in late 2004. In that trial, UT-231B did not demonstrate efficacy against hepatitis C in a population of patients that previously failed conventional treatments. We are now conducting preclinical testing of additional glycobiology drug candidates. We are also currently conducting two identical Phase III pivotal studies of OvaRex for the treatment of advanced ovarian cancer. We are still completing or planning pre-clinical studies for our other products.

In the past, several of our product candidates have failed or been discontinued at various stages in the product development process, including, but not limited to: immediate release beraprost, which failed in Phase III testing for early stage peripheral vascular disease; Ketotop, which failed in Phase III testing for osteoarthritis of the knee; and UT-77, which failed in Phase II testing for chronic obstructive pulmonary disease. Also, the length of time that it takes for us to complete clinical trials and obtain regulatory approval for product marketing has in the past varied by product and by the intended use of a product. We expect that this will likely be the case with future product candidates and we cannot predict the length of time to complete necessary clinical trials and obtain regulatory approval.

Our ongoing and planned clinical studies might be delayed or halted for various reasons, including:

- The drug is not effective, or physicians think that the drug is not effective;
- Patients do not enroll in the studies at the rate we expect;

- Patients experience severe side effects during treatment;
- Other investigational or approved therapies are viewed as more effective or convenient by physicians or patients;
- Patients die during the clinical study because their disease is too advanced or because they experience medical problems that are not related to the drug being studied;
- Drug supplies are not available or suitable for use in the studies; and
- The results of preclinical testing cause delays in clinical trials.

In addition, the FDA and international regulatory authorities have substantial discretion in the approval process. The FDA and international regulatory authorities may not agree that we have demonstrated that our products are safe and effective.

**Our corporate compliance program cannot guarantee that we are in compliance with all potentially applicable federal, state and international regulations.**

The development, manufacture, distribution, pricing, sales, marketing, and reimbursement of our products, together with our general operations, are subject to extensive federal, state and international regulation. While we have developed and instituted corporate compliance programs, we cannot ensure that we or our employees are or will be in compliance with all potentially applicable federal, state and international regulations. If we fail to comply with any of these regulations, a range of actions could result, including, but not limited to, the termination of clinical trials, the failure to approve a product candidate, restrictions on our products or manufacturing processes, including withdrawal of our products from the market, significant fines, exclusion from government healthcare programs, or other sanctions or litigation.

**If the licenses, assignments and alliance agreements we depend on are breached or terminated, we would lose our right to develop and sell the products covered by the licenses, assignments and alliance agreements.**

Our business depends upon the acquisition, assignment and license of drugs and other products which have been discovered and initially developed by others, including Remodulin and all of the other products in the prostacyclin platform, all of the products in the immunotherapeutic monoclonal antibody platform, all of the products in the glycobiology antiviral agents platform, and all arginine based products. Under our product license agreements, we are granted certain rights to existing intellectual property owned by third parties subject to the terms of each license agreement, whereas assignment agreements transfer all right, title and ownership of the intellectual property to us, subject to the terms of each assignment agreement. We have also obtained licenses to other third-party technology to conduct our business. In addition, we may be required to obtain licenses to other third-party technology to commercialize our early-stage products. This dependence has the following risks:

- We may not be able to obtain future licenses, assignments and agreements at a reasonable cost or at all;
- If any of our licenses or assignments are terminated, we will lose our rights to develop and market the products covered by such licenses or assignments;
- The licenses and assignments that we hold generally provide for termination by the licensor or assignor in the event we breach the license or assignment agreement, including failing to pay royalties and other fees on a timely basis;
- In the event that GlaxoSmithKline terminates its assignment agreement or Pfizer terminates its license agreement, we will have no further rights to utilize the assigned patents or trade secrets to develop and commercialize Remodulin. For the three months ended March 31, 2007, sales of

Remodulin accounted for approximately 95% of our total revenues. GlaxoSmithKline or Pfizer could seek to terminate the assignment or license, respectively, in the event that we fail to pay royalties based on sales of Remodulin; and

- If licensors fail to maintain the intellectual property licensed or assigned to us as required by most of our license and assignment agreements, we may lose our rights to develop and market some or all of our products and may be forced to incur substantial additional costs to maintain the intellectual property ourselves or force the licensor or assignor to do so.

**Certain license and assignment agreements relating to our products may restrict our ability to develop products in certain countries and/or for particular diseases and impose other restrictions on our freedom to develop and market our products.**

When we acquire, license or receive assignments of drugs and other products that have been discovered and initially developed by others, we may receive rights only to develop such drugs or products in certain territories and not throughout the world. For example, we do not have the right to market OvaRex and all our other monoclonal antibody immunotherapies for sale in most of Europe and the Middle East, and we only have the rights to market beraprost-MR for sale in North America and Europe.

In addition, provisions in our license and assignment agreements impose other restrictions on our freedom to develop and market our products. For example, in assigning Remodulin to us, GlaxoSmithKline retained an exclusive option and right of first refusal to negotiate a license agreement with us if we ever decide to license any aspect of the commercialization of Remodulin anywhere in the world. Similarly, in connection with its licenses of beraprost-MR to us, Toray obtained a right of first refusal from us to develop and sell in Japan up to two compounds that we develop. We also agreed to provisions establishing a conditional restricted non-competition clause in Toray's favor, giving them the right to be our exclusive provider of beraprost-MR and requiring that we make certain minimum annual sales in order to maintain our exclusive rights to beraprost-MR. The restrictions that we have accepted in our license and assignment agreements affect our freedom to develop and market our products in the future.

**If our, or our suppliers', patent and other intellectual property protection is inadequate, our sales and profits could suffer or competitors could force our products completely out of the market.**

Our United States patent for the method of treating PAH with Remodulin is currently set to expire in October 2014. The patent for OvaRex and its method of use are the subject of a combination of issued patents and pending applications in the United States and around the world. The issued patents for OvaRex have expiration dates ranging from 2016 to 2022. We believe that some of the patents to which we have rights may be eligible for extensions of up to five years based upon patent term restoration procedures in Europe and under the Hatch-Waxman Act in the United States. Competitors may develop products based on the same active ingredients as our products, including Remodulin, and market those products after the patents expire, or may design around our existing patents. If this happens, our sales would suffer and our profits could be severely impacted. In addition, if our suppliers' intellectual property protection is inadequate, our sales and profits could be adversely affected.

Patents may be issued to others that prevent the manufacture or sale of our products. We may have to license those patents and pay significant fees or royalties to the owners of the patents in order to keep marketing our products. This would cause profits to suffer. We have been granted patents in the United States for the synthesis of Remodulin, but patent applications that have been or may be filed by us may not result in the issuance of additional patents. The scope of any patent issued may not be sufficient to protect our technology. The laws of international jurisdictions in which we intend to sell our products may not protect our rights to the same extent as the laws of the United States.

In addition to patent protection, we also rely on trade secrets, proprietary know-how and technology advances. We enter into confidentiality agreements with our employees and others, but these agreements may not be effective in protecting our proprietary information. Others may independently develop substantially equivalent proprietary information or obtain access to our know-how.

Litigation, which is very expensive, may be necessary to enforce or defend our patents or proprietary rights and may not end favorably for us. While we have recently settled pending litigation against two parties related to our arginine patents, we may in the future choose to initiate litigation against other parties who we come to believe have violated our patents or other proprietary rights. If such litigation is unsuccessful or if the patents are invalidated or canceled, we may have to write off the related intangible assets which could significantly reduce our earnings. Any of our licenses, patents or other intellectual property may be challenged, invalidated, canceled, infringed or circumvented and may not provide any competitive advantage to us.

**If our highly qualified management and technical personnel leave us, our business may suffer.**

We are dependent on our current management, particularly our founder and Chief Executive Officer, Martine Rothblatt, Ph.D.; our President and Chief Operating Officer, Roger Jeffs, Ph.D.; our Chief Financial Officer and Treasurer, John Ferrari; and our Executive Vice President for Strategic Planning, General Counsel and Corporate Secretary, Paul Mahon. While these individuals are employed by us pursuant to multi-year employment agreements, employment agreements do not ensure the continued retention of employees. We do not maintain key person life insurance on these officers, although we do incentivize them to remain employed by us until at least age 60 through our Supplemental Executive Retirement Plan. Our success will depend in part on retaining the services of our existing management and key personnel and attracting and retaining new highly qualified personnel. Few individuals possess expertise in the field of cardiovascular medicine, infectious disease and oncology, and competition for qualified management and personnel is intense.

**We may not have adequate insurance and may have substantial exposure to payment of product liability claims.**

The testing, manufacture, marketing, and sale of human drugs involve product liability risks. Although we currently have product liability insurance covering claims up to \$20 million per occurrence and in the aggregate for our products, we may not be able to maintain this product liability insurance at an acceptable cost, if at all. In addition, this insurance may not provide adequate coverage against potential losses. If claims or losses exceed our liability insurance coverage, we may go out of business.

**We may not have, or may have to share rights to, future inventions arising from our license, assignment and alliance agreements and may lose potential profits or savings.**

Pursuant to our agreements with certain business partners, any new inventions or intellectual properties that arise from our activities will be owned jointly by us and these partners. If we do not have rights to new developments or inventions that arise during the terms of these agreements, or we have to share the rights with others, we may lose some or all of the benefit of these new rights, which may mean a loss of future profits or savings generated from improved technology.

**If we need additional financing and cannot obtain it, product development and sales may be limited.**

We may need to spend more money than currently expected because we may need to change our product development plans or product offerings to address difficulties with clinical studies, to prepare for commercial sales or to continue sales of Remodulin. We may not be able to obtain additional funds on commercially reasonable terms or at all. If additional funds are not available, we may be compelled to

delay clinical studies, curtail operations or obtain funds through collaborative arrangements that may require us to relinquish rights to certain products or potential markets.

**Our activities involve hazardous materials, and improper handling of these materials could expose us to significant liabilities.**

Our research and development and manufacturing activities involve the controlled use of chemicals and hazardous materials and we are expanding these activities to new locations. As a consequence, we are subject to numerous federal, state, and local environmental and safety laws and regulations, including those governing the management, storage and disposal of hazardous materials. We may be required to incur significant costs in order to comply with current or future environmental laws and regulations, and substantial fines and penalties for failure to comply with those laws and regulations. While we believe that we are currently in substantial compliance with laws and regulations governing these materials, the risk of accidental contamination or injury from these materials cannot be eliminated. In the event of such an accident, we could be liable for civil damages that result or for costs associated with the cleanup of any release of hazardous materials, which could be substantial. Any such liability could exceed our resources and could have a material adverse effect on our business, financial condition and results of operations.

**Risks Related to Our Common Stock**

**Our stock price could be volatile and could decline.**

The market prices for securities of drug and biotechnology companies are highly volatile, and there are significant price and volume fluctuations in the market that may be unrelated to particular companies' operating performances. The table below sets forth the high and low closing prices for our common stock for the periods indicated:

|                                     | High     | Low      |
|-------------------------------------|----------|----------|
| January 1, 2005 – December 31, 2005 | \$ 77.82 | \$ 41.37 |
| January 1, 2006 – December 31, 2006 | \$ 71.33 | \$ 47.96 |
| January 1, 2007 – March 31, 2007    | \$ 59.13 | \$ 47.87 |

Our stock price could decline suddenly due to the following factors, among others:

- Quarterly and annual financial and operating results;
- Failure to meet estimates or expectations of securities analysts or our projections;
- The pace of enrollment in and the results of clinical trials;
- Physician, patient, investor or public concerns as to the efficacy and/or safety of products marketed or being developed by us or by others;
- Changes in or new legislation and regulations affecting reimbursement of Remodulin by Medicare or Medicaid and changes in reimbursement policies of private health insurance companies;
- Announcements by us or others of technological innovations or new products or announcements regarding our existing products;
- Developments in patent or other proprietary rights;
- Future sales of substantial amounts of common stock by us or our existing stockholders;
- Future sales of common stock by our directors and officers;
- Failure to maintain approvals to sell Remodulin;

- The adoption of significant short positions in our common stock by hedge funds or other significant investors or the accumulation of our stock by hedge funds or other institutional investors with investment strategies that may lead to short-term holdings;
- Timing and outcome of additional regulatory approvals; and
- General market conditions.

**Future sales of shares of our common stock may depress our stock price.**

If we issue common stock to raise capital, or our stockholders transfer their ownership of our common stock or sell a substantial number of shares of common stock in the public market, or investors become concerned that substantial sales might occur, the market price of our common stock could decrease. Three of our four executive officers have announced their adoption of 10b5-1 prearranged trading plans. In accordance with these plans, these executives periodically sell a specified number of our shares of common stock either owned by them or acquired through the exercise of stock options. However, our executives and directors may choose to sell additional shares outside of 10b5-1 trading plans and one executive and five directors have done so. A decrease in our common stock price could make it difficult for us to raise capital by selling stock or to pay for acquisitions using stock. To the extent outstanding options are exercised or additional shares of capital stock are issued, existing stockholders may incur additional dilution.

Furthermore, the conversion of some or all of our 0.50% convertible secured notes due 2011 (Convertible Notes) after our stock price reaches \$105.67 per share will dilute the ownership interests of our existing stockholders. We have filed a resale registration statement covering sales of such shares. The Convertible Notes initially are convertible into an aggregate of 3.3 million shares of our common stock. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could depress the price of our common stock.

**The Convertible Note Purchase Call Option and call warrant transactions we entered into in connection with the sale of the Convertible Notes may affect the trading price of our common stock.**

In connection with the issuance of the Convertible Notes, we entered into a privately-negotiated convertible note hedge transaction with Deutsche Bank AG London, which is expected to reduce the potential dilution to our common stock upon any conversion of the Convertible Notes. We also entered into a warrant transaction with Deutsche Bank AG London with respect to our common stock pursuant to which we may issue shares of our common stock. In connection with hedging these transactions, Deutsche Bank AG London or its affiliates were expected to enter into various over-the-counter derivative transactions with respect to our common stock at, and possibly after, the pricing of the Convertible Notes and may have purchased or may purchase shares of our common stock in secondary market transactions following the pricing of the Convertible Notes. These activities could have had, or could have, the effect of increasing the price of our common stock. Deutsche Bank AG London or its affiliates are likely to modify their hedge positions from time to time prior to conversion or maturity of the Convertible Notes by purchasing and selling shares of our common stock, other of our securities or other instruments it may wish to use in connection with such hedging. The effect, if any, of any of these transactions and activities on the market price of our common stock or the Convertible Notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock (including during any period used to determine the amount of consideration deliverable upon conversion of the Convertible Notes).



**The fundamental change purchase feature of the Convertible Notes may delay or prevent an otherwise beneficial attempt to take over our company.**

The terms of the Convertible Notes require us to purchase the Convertible Notes for cash in the event of a fundamental change. A takeover of our company would trigger the requirement that we purchase the Convertible Notes. This may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to investors.

**Provisions of Delaware law and our certificate of incorporation, by-laws and shareholder rights plan could prevent or delay a change of control or change in management that could be beneficial to us and our public stockholders.**

Certain provisions of Delaware law and our certificate of incorporation, by-laws and shareholder rights plan may prevent, delay or discourage:

- A merger, tender offer or proxy contest;
- The assumption of control by a holder of a large block of our securities; and
- The replacement or removal of current management by our stockholders.

For example, our certificate of incorporation divides the board of directors into three classes, with members of each class to be elected for staggered three-year terms. This provision may make it more difficult for stockholders to change the majority of directors and may hinder accumulations of large blocks of common stock by limiting the voting power of such blocks. This may further result in discouraging a change of control or change in current management.

**We will need cash to pay at least a portion of the conversion value of the Convertible Notes, as required by the indenture governing the notes.**

At least a portion of the repayment of the Convertible Notes will be required to be made in cash. Our product development plans and product offerings could be negatively impacted if we do not have sufficient financial resources, or are not able to arrange suitable financing, to pay required amounts upon conversion or tender of the notes and fund our operations.

**Our existing directors and executive officers own a substantial block of our stock and might be able to influence the outcome of matters requiring stockholder approval.**

Our directors and named executive officers beneficially owned approximately 10.6% of our outstanding common stock as of March 31, 2007, including stock options that could be exercised by those directors and executive officers within 60 days of that date. Accordingly, these stockholders as a group might be able to influence the outcome of matters requiring approval by our stockholders, including the election of our directors. Such stockholder influence could delay or prevent a change of control with respect to us.

**If stockholders do not receive dividends, stockholders must rely on stock appreciation for any return on their investment in us.**

We have never declared or paid cash dividends on any of our capital stock. We currently intend to retain our earnings for future growth and therefore do not anticipate paying cash dividends in the future.

## Item 2. Unregistered Sales of Equity Securities and use of Proceeds

### Sales of Unregistered Equity Securities

On March 17, 2007, we issued in a private placement in reliance on the exemption from registration provided under Regulation D under the Securities Act of 1933, 200,000 shares of our common stock to Toray in exchange for the cancellation of Toray's then-existing option to purchase 500,000 shares of our common stock. Toray has the right to request that we repurchase the newly-issued 200,000 shares of common stock upon thirty-days prior notice at the price of \$54.41 per share, which is the average closing price of our stock between January 11, 2007 and February 23, 2007. Based on the average closing price of our stock for the two trading days prior to and the two trading days after March 16, 2007, we recognized a research and development expense of approximately \$11.0 million in March 2007 relating to the issuance of the 200,000 shares, since beraprost-MR has not yet obtained regulatory approval for commercial sales. In accordance with the provision of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and EITF Topic No. D-98, *Classification and Measurement of Redeemable Securities*, these shares of stock are reflected in mezzanine equity as common stock subject to repurchase valued at the repurchase price. If Toray request that we repurchase these shares, then the value of these shares will be retransferred to a liability account until the repurchase is completed.

### Stock Repurchases

| Period                   | Total Number<br>of Shares<br>Purchased(1) | Average Price<br>Paid per Share | Total Number of Shares<br>Purchased as Part of<br>Publicly Announced<br>Program | Maximum Number of<br>Shares That May yet be<br>Purchased Under the<br>Program(1) |
|--------------------------|-------------------------------------------|---------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|                          |                                           |                                 |                                                                                 |                                                                                  |
| January 1 – January 31   | 99,100                                    | \$ 55.71                        | 99,100                                                                          | 2,037,091                                                                        |
| February 1 – February 28 | 147,282                                   | \$ 52.03                        | 147,282                                                                         | 1,889,809                                                                        |
| March 1 – March 31       | 978,140                                   | \$ 55.04                        | 978,140                                                                         | 911,669                                                                          |
| Total                    | <u>1,224,522</u>                          | <u>\$ 54.73</u>                 | <u>1,224,522</u>                                                                | <u>N/A</u>                                                                       |

- (1) On October 17, 2006, our Board of Directors authorized the repurchase up to 4.0 million shares prior to October 17, 2008. As of March 31, 2007, 911,669 shares remained eligible for repurchase under the program.

**Item 6. Exhibits**

| <u>Exhibit No.</u> | <u>Description</u>                                                                                                                                                                                |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12.1               | Ratio of Earnings to Fixed Charges (unaudited)                                                                                                                                                    |
| 3.1                | Amended and Restated Certificate of Incorporation of the Registrant, incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form S-1 (Registration No. 333-76409) |
| 3.2                | Amended and Restated Bylaws of the Registrant, incorporated by reference to Exhibit 3.2 of the Registrant's Registration Statement on Form S-1 (Registration No. 333-76409)                       |
| 10.1               | Standard Form of Agreement between the Registrant and DPR Construction, Inc., dated March 9, 2007, as amended by Amendment No. 1, dated April 19, 2007 **                                         |
| 12.1               | Ratio of Earnings to Fixed Charges                                                                                                                                                                |
| 31.1               | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934                                                                                        |
| 31.2               | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934                                                                                        |
| 32.1               | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002                                                                                                |
| 32.2               | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002                                                                                                |

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\*\* Confidential treatment has been requested for portions of this document. The omitted portions of this document have been filed with the Securities and Exchange Commission.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED THERAPEUTICS CORPORATION

Date: May 3, 2007

/s/ MARTINE A. ROTHBLATT

By: Martine A. Rothblatt

Title: *Chairman and Chief Executive Officer*

/s/ JOHN M. FERRARI

By: John M. Ferrari

Title: *Chief Financial Officer and Treasurer*

Pursuant to 17 C.F.R §240.24b-2, confidential information (indicated as \*) has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application filed with the Commission.

**AIA<sup>®</sup> Document A111<sup>™</sup> – 1997**

***Standard Form of Agreement Between Owner and Contractor*** where the basis for payment is the ***COST OF THE WORK PLUS A FEE*** with a negotiated Guaranteed Maximum Price

**AGREEMENT** made as of the fourth day of March in the year 2007  
(In words, indicate day, month and year)

**BETWEEN** the Owner:  
(Name, address and other information)

United Therapeutics Corporation  
1110 Spring Street  
Silver Spring, MD 20910

and the Contractor:  
(Name, address and other information)

DPR Construction, Inc.  
2941 Fairview Park Drive, Suite 600  
Falls Church, VA 22042  
The Project is:  
(Name and location)

Administration/Laboratory/Manufacturing Facility located in Research Triangle Park, NC, as more fully described on Exhibit A attached hereto.

The Architect is:  
(Name, address and other information)

O'Neal, Inc., d/b/a O'Neal Engineering, Inc.  
3000 RDU Center Drive, Suite 200  
Morrisville, NC 27560

The Owner and Contractor agree as follows.

**ADDITIONS AND DELETIONS:** The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is not intended for use in competitive bidding.

AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by the Associated General Contractors of America.

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**User Notes:**

(4090456021)

**ARTICLE 1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, the General Conditions attached hereto as Exhibit B (the “General Conditions”) other Conditions of the Contract to the extent set forth or referred to in Exhibits to this Agreement, Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 15. If anything in the other Contract Documents is inconsistent with this Agreement, this Agreement shall govern, except that Modifications executed after the date of this Agreement shall govern in the event of an inconsistency between such Modifications and this Agreement.

**ARTICLE 2 THE WORK OF THIS CONTRACT**

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

**ARTICLE 3 RELATIONSHIP OF THE PARTIES**

§ 3.1 The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Contractor’s skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner’s interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents. The Owner and Contractor hereby acknowledge that Owner may engage a “Project Manager” for the Project. If a Project Manager is engaged, the Owner shall notify the Contractor in writing about such engagement, and shall specify the scope of authority of the Project Manager to act on behalf of the Owner.

§3.2 The Contractor has provided the Owner with a list setting forth the names, resumes, relevant experience, type of services to be performed and term of assignment of all personnel who shall perform the Work, and who are at a level of superintendent or above, which is attached hereto as Exhibit C. None of such personnel shall be removed from the Project without the Owner’s prior written consent (except in the case of the termination, resignation or other departure of such personnel from the employ of the Contractor), which consent shall not be unreasonably withheld, or unless the Owner so directs, and the Owner shall have the authority to approve any replacement. Exhibit C shall be updated to reflect approved changes.

**ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

(Paragraphs deleted)

§ 4.1 The date of commencement of the Work shall be the date to be fixed in a notice to proceed issued by the Owner.

§ 4.2 The Contract Time shall be measured from the date of commencement.

§ 4.3 The Contractor shall achieve Substantial Completion of the entire Work not later than the date of Substantial Completion set forth in the Project Schedule attached hereto as Exhibit I, subject to adjustment as provided in the Contract Documents.

(Paragraph deleted)

§ 4.4 The parties acknowledge that it is extremely difficult to ascertain with accuracy at the time of execution of this Contract the extent of the actual damages that the Owner would suffer as a result of any delay in achieving the date of Substantial Completion of the Work set forth in this Contract, as such date may be adjusted in accordance with the provisions of this Contract. Therefore, in the event the Contractor does not achieve Substantial Completion of the Work within the Contract Time, as adjusted pursuant to the provisions of the Contract Documents, the Contractor shall pay the Owner, as liquidated damages and not as a penalty, following sums for each day the actual date of Substantial Completion of the Work exceeds the authorized Contract Time:

|                         |                  |
|-------------------------|------------------|
| First 30 days of delay: | \$7,500 per day  |
| Each day thereafter:    | \$10,000 per day |

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Such liquidated damages are hereby agreed to be a reasonable pre-estimate of damages the Owner will incur as a result of a delay in Substantial Completion of the Work due to the fault of the Contractor.

§ 4.3 In the event the Contractor achieves Substantial Completion of the Work prior to the date of Substantial Completion of the Work set forth in the Project Schedule attached hereto as Exhibit I, as such date may be adjusted pursuant to the provisions of the Contract Documents, the Contractor shall be entitled to a bonus for each day the actual date of Substantial Completion of the Work is earlier than the authorized Contract Time as follows:

(Paragraph deleted)

|                                          |                  |
|------------------------------------------|------------------|
| First 30 days of early completion        | \$7,500 per day  |
| All days of early completion thereafter: | \$10,000 per day |

Such amounts shall only be paid to the extent there are Savings (defined in Section 5.2.7). In such case, the Contractor shall be entitled to 100% of the Savings on account of amounts earned under this Section 4.3 prior to the allocation of Savings as provided in Section 5.2.7. To the extent the total amount of Savings is less than the total amount payable to the Contractor under this Section 4.3, the Owner shall not be liable for such deficiency.

ARTICLE 5 BASIS FOR PAYMENT

§ 5.1 CONTRACT SUM

§ 5.1.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor’s performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor’s Fee.

§ 5.1.2 The Contractor’s Fee is: See Exhibit D

(Paragraph deleted)

§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The sum of the Cost of the Work and the Contractor’s Fee is guaranteed by the Contractor not to exceed the “Guaranteed Maximum Price” set forth on Exhibit D, subject to additions and deductions by Change Order as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner. The Cost of the Work portion of the Guaranteed Maximum Price contains a line item entitled “General Conditions Costs” and Annex 1 to Exhibit D contains a list of the categories of costs to be reimbursed from this line item. The Contractor acknowledges and agrees that funds from other line items in the Cost of the Work portion of the Guaranteed Maximum Price (including but not limited to the line item for Contingency, described in Section 5.2.8) may not be transferred to the General Conditions Costs line item.

(Paragraph deleted)

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner: See Exhibit D

(Paragraph deleted)

§ 5.2.3 Unit prices, if any, are as follows: See Exhibit D

(Paragraphs & rows deleted)

§ 5.2.4 Allowances, if any, are as follows: See Exhibit D

(Rows deleted)

§ 5.2.5 Assumptions, if any, on which the Guaranteed Maximum Price is based are as follows: See Exhibits A and D

(Paragraph deleted)

§ 5.2.6 The Cost of the Work portion of the Guaranteed Maximum Price will contain a line item entitled “Contingency”. It is understood that the Contingency line item is to cover costs and expenses of the Contractor incurred as a result of unforeseen or unanticipated events or circumstances; provided, however, any such cost or expense must otherwise be reimbursable as Cost of the Work (other than General Conditions Costs, for which Contingency shall not be used). The Construction Manager may transfer amounts from the Contingency to other line items (other than the Contractor’s Fee or General Conditions Costs) without the prior written consent of the Owner, to the extent the Contractor has provided the Owner with evidence that any such adjustments and increased costs are reasonably necessary. The Contingency is not available for use by the Owner for Change Orders.

§ 5.2.7 In the event the actual Cost of the Work plus the Contractor’s Fee is less than the Guaranteed Maximum Price, as adjusted, the difference (“Savings”) shall be shared sixty five percent (65%) to the Owner and thirty five percent (35%) to the Contractor except to the extent provided otherwise in Section 4.5 hereof. Savings shall be calculated and paid as part of final payment hereunder.





## **ARTICLE 6 CHANGES IN THE WORK**

**§ 6.1** Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Section 7.3.3 of the General Conditions.

**§ 6.2** In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of the General Conditions and the terms "costs" and "a reasonable allowance for overhead and profit" as used in Section 7.3.6 of the General Conditions shall have the meanings assigned to them in the General Conditions and shall not be modified by Articles 5, 7 and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts. The Contractor hereby agrees that for changes in the Work performed by a Subcontractor, (A) the payment to the Subcontractor shall be equal to (i) the actual cost incurred in performing such changed work; (ii) a markup of ten percent (10%) of such actual cost for overhead; and (iii) fee of ten percent (10%) of actual cost. Notwithstanding the foregoing, the total amount payable to Subcontractors of every tier on account of overhead and fee for a change to the Work shall not exceed thirty percent (30%). In addition, the Contractor shall be entitled to Contractor's Fee equal to the percentage stated in Exhibit D, based on the total amount payable to the Subcontractors; provided, however, that the Contractor shall not be entitled to additional General Conditions costs or Contractor's Fee on the first \$400,000 of additive Change Orders that do not extend the date of Substantial Completion of the Work. There shall be no reduction in Contractor's Fee for deductive Change Orders. Additional General Conditions Costs incurred by the Contractor on account of changes in the Work shall be reimbursable to the extent permitted by Article 7 and not excluded by Article 8.

**§ 6.3** In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of the General Conditions shall mean the Cost of the Work as defined in Article 7 of this Agreement and the terms "fee" and "a reasonable allowance for overhead and profit" shall mean the Contractor's Fee as set forth in Section 6.2 above and Exhibit D.

## **ARTICLE 7 COSTS TO BE REIMBURSED**

### **§ 7.1 COST OF THE WORK**

The term Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior written consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7 and shall exclude those costs expressly excluded by Article 8.

### **§ 7.2 LABOR COSTS**

**§ 7.2.1** Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's approval, at off-site workshops.

(Paragraph deleted)

**§ 7.2.2** Wages or salaries of the Contractor's supervisory and administrative personnel listed on Exhibit C, at the hourly billing rates set forth in Exhibit C, for that portion of their time required for the Work. Such hourly billing rates may be adjusted on an annual basis beginning January 1, 2008, provided that no annual adjustment shall exceed 103% of the prior year's hourly billing rate.

**§ 7.2.3** Wages and salaries of the Contractor's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work to the extent such personnel is listed in Exhibit C, at the hourly rates set forth in Exhibit C.

**§ 7.2.4** Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements and not Contractor's supervisory and administrative personnel, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Section 7.2.1. The hourly rates set forth in Exhibit C are "fully burdened".

### **§ 7.3 SUBCONTRACT COSTS**

**§ 7.3.1** Payments made or to be made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts. The items of Work reimbursable as General Conditions Costs listed in Exhibit D shall not be included in any trade Subcontracts.

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## **§ 7.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION**

**§ 7.4.1** Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

**§ 7.4.2** Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Contractor. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

## **§ 7.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS**

**§ 7.5.1** Costs, including transportation and storage, unloading, installation, maintenance and repairs, dismantling and removal to point of origin (if applicable) of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

**§ 7.5.2** Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior written approval.

**§ 7.5.3** Costs of removal of debris from the site.

**§ 7.5.4** Costs of document reproductions, facsimile transmissions, cell phones and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

**§ 7.5.5** That portion of the reasonable expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work to the extent included in Exhibit D or with the Owner's prior written approval.

**§ 7.5.6** Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in writing in advance by the Owner.

## **§ 7.6 MISCELLANEOUS COSTS**

(Paragraph deleted)

**§ 7.6.1** That portion directly attributable to this Contract of insurance and bond premiums to provide the insurance and bonds required by this Contract to the extent such costs are set forth on Exhibit D. Insurance costs shall include the attributable portion of premiums for Contractor's general liability insurance, fixed at \$12 per thousand dollars of Contract value; If the Contractor is required to furnish payment and performance bonds hereunder, the attributable portion of premiums for such bonds shall be \$10 per thousand dollars of Contract value. In the event Owner elects to have Contractor furnish Subguard insurance instead of requiring subcontractors to provide payment and performance bonds, the attributable portion of premiums is fixed at \$12 per thousand dollars of Contract value. If the Contractor wishes to self-insure any of the risks set forth in the Contract Documents, it shall first obtain the prior written approval of the Owner. Charges on account thereof shall be approved in writing in advance by the Owner and shall in no event be greater than the costs of a third-party insurance program.

**§ 7.6.2** Sales, use or similar taxes imposed by a governmental authority that are related to the Work. To the extent the Owner is entitled to any sales tax exemptions, it shall furnish information necessary for the Contractor to utilize such exemptions, and to the extent such information is furnished and the Contractor fails to so utilize the exemptions the Contractor shall not be entitled to sales tax paid.

**§ 7.6.3** Fees and assessments for the permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay. The Owner shall pay for the building permit.

**§ 7.6.4** Fees of laboratories for tests required to be arranged and paid for by the Contractor pursuant to the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by

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Section 13.5.3 of the General Conditions or other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's prior written consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17.1 of the General Conditions or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

(Paragraph deleted)

§ 7.6.6 Data processing and accounting costs related to the Work but only to the extent such costs are set forth on Exhibit D.

§ 7.6.7 Deposits lost (including the failure to obtain a refund of a deposit) for causes other than the Contractor's negligence or failure to fulfill a specific responsibility to the Owner as set forth in the Contract Documents.

§ 7.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Contractor, reasonably incurred by the Contractor in the performance of the Work and with the Owner's prior written approval; which approval shall not be unreasonably withheld; provided, however, that reimbursement hereunder shall be limited to \$25,000 in the aggregate.

## § 7.7 OTHER COSTS AND EMERGENCIES

§ 7.7.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

§ 7.7.2 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.6 of the General Conditions.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Contractor and only to the extent that the cost of repair or correction is not recoverable by the Contractor from insurance, sureties, Subcontractors or suppliers.

## ARTICLE 8 COSTS NOT TO BE REIMBURSED

§ 8.1 The Cost of the Work shall not include:

§ 8.1.1 Salaries and other compensation of the Contractor's supervisory or administrative personnel not listed on Exhibit C.

§ 8.1.2 Expenses of the Contractor's principal office and offices other than the site office.

§ 8.1.3 Overhead, indirect, administrative and general expenses, except as may be expressly included in Article 7.

§ 8.1.4 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.

§ 8.1.5 Rental costs of machinery and equipment, except as specifically provided in Section 7.5.2.

§ 8.1.6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence or failure to fulfill a specific responsibility of the Contractor, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.

§ 8.1.7 Any cost not specifically and expressly described in Article 7.

§ 8.1.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

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§ 8.1.9 Costs due to the negligence or wrongful act of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or for those acts that any of them may be liable.

§ 8.1.10 Costs or expenses (including legal fees) relating to the bankruptcy of any Subcontractor (to the extent not recovered from the Subcontractor or its surety), unless approved in writing by the Owner, such approval not to be unreasonably withheld.

§ 8.1.11 The cost of all fines and penalties, included interest thereon, assessed against the Contractor by any federal or local governmental or quasi-governmental authorities, except to the extent due to the Owner's (or its agents') fault or negligence.

§ 8.1.12 The cost of any liability, taxes, charges or contributions attributable to Contractor's failure to make timely disbursements to Subcontractors.

§ 8.1.13 Costs incurred to discharge liens arising out of claims against the Project or the site, to the extent such liens are filed by the Contractor or its Subcontractors. Notwithstanding the foregoing, to the extent the reason for the lien is default by the Owner in making payments due and owing under the Contract Documents, the costs of discharging such liens shall be paid pursuant to Change Order.

§ 8.1.14 Overtime for supervisory and/or administrative personnel of the Contractor except to the extent permitted in Section 7.

§ 8.1.15 General Conditions Costs in excess of the amount set forth in Exhibit D.

## **ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS**

§ 9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (1) before making the payment, the Contractor included them in an Application for Payment and received payment therefor from the Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Contractor shall make provisions so that they can be secured.

§ 9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

## **ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS**

§ 10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or by other appropriate agreements with the Contractor. The forms of the Contractor's Subcontract and Purchase Order are set forth in Exhibit H attached hereto. The Contractor shall not materially modify such forms without the prior written consent of the Owner, which consent shall not be unreasonably withheld. The Contractor shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Owner. The Owner shall then determine, with the advice of the Contractor, which bids will be accepted. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection.

§ 10.2 If a specific bidder among those whose bids are delivered by the Contractor to the Owner (1) is recommended to the Owner by the Contractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Contractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Contractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 10.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

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## **ARTICLE 11 ACCOUNTING RECORDS**

**§ 11.1** The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract, and the accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's accountants shall be afforded full access to, and shall be permitted to audit and copy, the Contractor's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Contract on an "open book" basis, and the Contractor shall preserve these for a period of five (5) years after final payment, or for such longer period as may be required by law. Subcontractors shall have the same obligations to maintain books and records and to permit audits, except with respect to Work performed on a lump sum basis, the Subcontractor shall only be required to maintain and make available such books and records as are specifically required by applicable laws and/or the terms of the Contract Documents. Notwithstanding the foregoing, the Owner shall not be entitled to review the underlying financial records relating to (a) amounts agreed to be paid to the Contractor on a lump sum basis or (b) agreed-to hourly rates.

**§ 11.2** If any inspection of the Contractor's or any Subcontractor's books and records or other documents reveals an overcharge, the Contractor shall pay to the Owner or, at the Owner's election, the Owner may reimburse itself by taking a credit against future payments due to the Contractor, an amount equal to the overage. If one or more overcharges is equal to or greater than Fifty Thousand Dollars (\$50,000) in the aggregate, the Contractor shall also pay all administrative and auditing expenses incurred by the Owner in determining the existence and amount of the overcharge, not to exceed Twenty Five Thousand Dollars (\$25,000).

**§ 11.3** The accounting firm selected by the Owner to perform audits shall be nationally recognized and shall not be engaged on a contingent fee basis.

## **ARTICLE 12 PAYMENTS**

### **§ 12.1 PROGRESS PAYMENTS**

**§ 12.1.1** Based upon Applications for Payment submitted to the Architect and the Owner by the Contractor, and approved by the Owner, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

**§ 12.1.2** The period covered by each Application for Payment shall be one calendar month ending on the last day of the month. On or before the 25<sup>th</sup> calendar day of each month (or in the event such day is a holiday or weekend day, the preceding business day) the Owner, the Architect and the Contractor shall meet to review a preliminary draft of such Application for Payment (a "Pencil Draw"), prepared by the Contractor. Within three (3) days after the meeting described in the previous sentence, the Contractor shall (a) revise the Pencil Draw in accordance with any objection or recommendations of either the Owner or the Architect that is consistent with the requirements for the Contract Documents, and (b) re-submit the revised Pencil Draw to the Owner and the Architect as the final Application for Payment. Such Pencil Draw and subsequent Application for Payment shall include a projection of the Cost of the Work through the then-current month.

**§ 12.1.3** Provided that a final Application for Payment (including all required supporting documentation) is received by the Owner and the Architect not later than the last day of a month, the Owner shall make payment to the Contractor of undisputed amounts not later than the last day of the following month. If an Application for Payment is received by the Owner and the Architect after the application date fixed above, payment shall be made by the Owner not later than the next scheduled progress payment, as described in the previous sentence. The Contractor shall make payment to its Subcontractors within seven (7) business days after receipt of payment from the Owner. If the Owner becomes aware that any Subcontractor is not being paid as required, the Owner may elect to issue joint checks, payable to the Contractor and such Subcontractor for future payments due such Subcontractor. Such joint checks shall be delivered to the Contractor and not the Subcontractor.

**§ 12.1.4** With each Application for Payment, the Contractor shall submit an itemized report of hours spent working on the Project by Contractor personnel ("Labor Transaction Reports"), petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence reasonably required by the Owner or Architect to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor; less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) Labor Transaction Reports for the period covered by the present Application for Payment. With each Application for Payment, the Contractor shall submit (i) its Waiver and Release of Liens and Claims, in the forms set forth in Exhibit E hereto, covering all Work performed through the date of the current

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Application for Payment, and conditioned only on payment; and (ii) Waivers and Releases of Liens and Claims from each Subcontractor and supplier in the forms set forth in Exhibit E, covering all Work performed through the date of the prior month's Application for Payment.

§ 12.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor's Fee, General Conditions Costs and Contingency shall be shown as separate line items. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner may reasonably require. This schedule, unless objected to by the Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 12.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Contractor on account of that portion of the Work for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 12.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.7 of the General Conditions;
- .2 add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;  
  
(Paragraph deleted)
- .3 add the Contractor's Fee, less retainage of ten percent (10%). When the Cost of the Work paid by the Owner equals 50% of the Guaranteed Maximum Price, no further retainage on Contractor's Fee shall be withheld, subject to the provisions of Section 12.1.8. The Contractor's Fee shall be computed upon the Cost of the Work described in the two preceding Clauses at the rate stated in Exhibit D;
- .4 subtract the aggregate of previous payments made by the Owner;
- .5 subtract the shortfall, if any, indicated by the Contractor in the documentation required by Section 12.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and
- .6 subtract amounts, if any, for which the Owner has withheld amounts as provided in Section 9.5 of the General Conditions.

§ 12.1.8 Except with the Owner's prior written approval, payments to Subcontractors and payments on account of other items of Cost of the Work shall be subject to retainage of not less than ten percent (10%). When the value of the Work in place on account of a particular Subcontractor equals 50% of such Subcontractor's subcontract amount, no further retainage shall be withheld. Retainage withheld shall be paid as part of the Application for Payment immediately following Substantial Completion of the Work, less 200% of the value of punch list items and other items of incomplete work. The Owner and Contractor shall agree in writing upon a mutually acceptable procedure for review and approval of payments and retention for subcontracts.

(Paragraph deleted)

§ 12.1.9 If a Subcontractor has completed its portion of the Work (including all punch list items) pursuant to any given subcontract, the Contractor may request the Owner to disburse the retainage being held by the Owner in respect of such Subcontractor, after delivering to the Owner any necessary consent to such disbursement from any sureties in form reasonably satisfactory to the Owner. If the Owner is reasonably satisfied the Subcontractor's Work

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has been completed in accordance with the Contract Documents and the Owner has received satisfactory final waivers of liens and claims with respect to the Subcontractor's Work, the Owner shall disburse said retainage. Regardless of whether the Owner has disbursed said retainage to any Subcontractor, the warranty period referred to in the General Conditions or the other Contract Documents shall not begin with respect to the portion of the Work performed by such Subcontractor until the Date of Substantial Completion of the entire Work.

**§ 12.1.10** Except with the Owner's prior written approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site, unless Owner is reasonably satisfied that materials or equipment have been procured and are suitably and safely stored, insured and protected so as to adequately protect Owner's title thereto and/or interest therein.

**§ 12.1.11** Notwithstanding the provisions of Sections 12.1.7.3 and 12.1.8, (a) if at any time the Owner reasonably believes that the Work is not progressing satisfactorily, the Owner retains the right to reinstate retainage in whole or in part.

## **§ 12.2 FINAL PAYMENT**

**§ 12.2.1** Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of the General Conditions, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 a final Application for Payment and a final accounting for the Cost of the Work have been submitted by the Contractor and reviewed by the Owner's accountants;
- .3 The Architect and the Owner have approved the final Application for Payment; and
- .4 final waivers and releases of liens and claims from the Contractor and all Subcontractors and suppliers (contingent only upon final payment), in the forms set forth in Exhibit E, have been received and approved by the Owner.

**§ 12.2.2** The Owner's final payment to the Contractor shall be made no later than 30 days after the satisfaction of the conditions set forth in Section 12.2.3.

**§ 12.2.3** The Owner's accountants will review and report in writing on the Contractor's final accounting within thirty (30) days after delivery of the final accounting to the Owner and the Architect by the Contractor. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Contractor's final accounting, and provided the other conditions of Section 12.2.1 and other conditions in the Contract relating to final payment have been met, the Owner will, within seven (7) days after receipt of the written report of the Owner's accountants, notify the Contractor in writing of the amount the Owner believes to be due as final payment. If such amount is less than the amount requested by the Contractor, the Owner's notice shall set forth the reasons for withholding as described in Section 9.5.1 of the General Conditions. The time periods stated in this Section 12.2.3 supersede those stated in Section 9.4.1 of the General Conditions.

**§ 12.2.4** If the Owner's accountants report the Cost of the Work as substantiated by the Contractor's final accounting to be less than claimed by the Contractor, the Contractor shall be entitled to file a Claim on account of the disputed amount in accordance with Article 4 of the General Conditions. Such Claim shall be made by the Contractor within 30 days after the Contractor's receipt of notice from the Owner that it disagrees with the Contractor's final accounting; failure to file a Claim within this 30-day period shall result in the substantiated amount reported by the Owner's accountants becoming binding on the Contractor. Pending a final resolution of the Claim, the Owner shall pay the Contractor the amount due based on the report of the Owner's accountants.

(Paragraph deleted)

## **ARTICLE 13 TERMINATION OR SUSPENSION**

(Paragraph deleted)

**§ 13.1** The Contract may be terminated by the Contractor or by the Owner, as provided in Article 14 of the General Conditions.

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§ 13.2 The Work may be suspended by the Owner as provided in Article 14 of the General Conditions.

(Paragraph deleted)

(Paragraphs deleted)

#### ARTICLE 14 MISCELLANEOUS PROVISIONS

(Paragraph deleted)

§ 14.1 Where reference is made in this Agreement to a provision in the General Conditions or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

(Paragraph deleted)

§ 14.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below:

Six percent (6%) per annum

§ 14.3 The Owner's representative is:

(Paragraph deleted)

(Paragraph deleted)

*(Name, address and other information.)*

Dave Zaccardelli  
United Therapeutics Corporation  
One Park Drive  
Research Triangle Park, NC 27709  
Phone: 919-485-8530 x1239  
Fax:  
e-mail: dzaccardelli@unither.com

§ 14.4 The Contractor's representative is:

*(Name, address and other information.)*

Randy Preston  
105 Moreland Court  
Cary, NC 27518  
Phone: 919-538-9432  
Fax: 919-549-7317  
e-mail: randallp@dprinc.com

§ 14.5 Neither the Owner's nor the Contractor's representative shall be changed without ten (10) days' written notice to the other party.

§ 14.6 At the written request of the Owner, the Contractor shall furnish bonds covering the faithful performance of the Contract and payment of obligations thereunder within the earlier to occur of (a) thirty (30) days after establishment of the Guaranteed Maximum Price or (b) three (3) days prior to commencement of construction work at the site. At the Owner's election, each bond shall be in an amount equal to (x) 100% of the Guaranteed Maximum Price or (y) the Contractor's Fee and General Conditions Costs portion of the Guaranteed Maximum Price. The bonds shall be issued by sureties reasonably acceptable to the Owner, shall name the Owner as obligee (or, at the election of the Owner, shall name the Owner and the Owner's lender as dual obligees if commercially available) and shall be on forms reasonably acceptable to the Owner. In addition, the Contractor shall require each Subcontractor having a subcontract with a value in excess of \$50,000 to either enroll in the Contractor's Subguard program (as further described in Exhibit F) or furnish payment and performance bonds, each in the amount of such Subcontractor's contract amount, and naming the Contractor and the Owner as dual obligees. The forms of bonds shall be reasonably acceptable to the Owner. The performance bonds required hereunder shall provide that they expire no earlier than the expiration of the statute of limitation and repose applicable to the Contract.

(Paragraph deleted)

§ 14.7 The Drawings, Specifications and other documents prepared by the Architect ("Instruments of Service"), and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used by the Contractor, Subcontractors, Sub-subcontractors or suppliers on other projects, or for additions to this Project outside the scope of the Work, without the specific written consent of the Owner and Architect. The Contractor, Subcontractors, sub-subcontractors and suppliers are granted a limited license to use and reproduce applicable portions of the Instruments of Service appropriate to and for use in the execution of their Work under the Contract Documents.





§ 14.8 With respect to Instruments of Service provided by the Architect to the Owner or the Contractor in electronic form, the Owner and the Contractor agree that such electronic documentation shall be furnished for the convenience of the Owner and the Contractor and shall not be relied upon by the Owner or the Contractor. The only Instruments of Service which may be relied upon by the Owner and the Contractor are Instruments of Service furnished in written or graphic form.

§14.9 The Contract shall be governed by the law of the State of North Carolina, without giving effect to principles of conflicts of laws thereof. The Contractor hereby consents to jurisdiction over its person by any court sitting in the State of North Carolina, and hereby waives any objection of *forum non conveniens* and any similar objection to venue in the State of North Carolina.

§14.10 This Contract, which includes this Agreement and the other documents incorporated herein by reference, represents the entire and integrated agreement between the Owner and the Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Contractor. If anything in any document incorporated into this Agreement is inconsistent with this Agreement, this Agreement shall govern.

§ 14.11 Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or the Contractor.

§ 14.12 If the Owner requests the Contractor to execute certificates, the proposed language of such certificates shall be submitted to the Contractor for its review at least seven (7) days prior to the requested dates of execution. The Contractor shall promptly execute such certificates as to matters that are within the scope of its knowledge, with reasonable and appropriate qualifiers as necessary. The Contractor shall not be required to execute certificates that would require knowledge, services or responsibilities beyond the scope of this Contract.

**ARTICLE 15 ENUMERATION OF CONTRACT DOCUMENTS**

§ 15.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

§ 15.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A111-1997, as modified.

(Paragraph deleted)

§ 15.1.2 The Exhibits to this Agreement, each of which is incorporated herein by reference, are as follows:

|           |                                                                                                                                                                           |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exhibit A | Scope of Work                                                                                                                                                             |
| Exhibit B | General Conditions (AIA A201, as amended)                                                                                                                                 |
| Exhibit C | Key Personnel and Hourly Rates                                                                                                                                            |
| Exhibit D | Guaranteed Maximum Price (including Contractor’s Fee and General Conditions Costs itemization, Unit Prices, Allowances, Alternates and Contractor’s Fee on Change Orders) |
| Exhibit E | Forms of Partial and Final Waivers and Releases of Liens and Claims                                                                                                       |
| Exhibit F | Insurance Requirements                                                                                                                                                    |
| Exhibit G | Other Requirements (RTP Rules and Regulations)                                                                                                                            |
| Exhibit H | Form of Subcontract and Purchase Order                                                                                                                                    |
| Exhibit I | Project Schedule                                                                                                                                                          |

**ARTICLE 16 OTHER PROVISIONS**

§ 16.1 Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws. If, however, any provision of this Agreement, or portion thereof, is prohibited by law or found invalid under any law, such provision or portion thereof, only shall be ineffective without in any manner invalidating or affecting the remaining provisions of this Agreement or the valid portion of such provision, which provisions are deemed severable. All provisions which by their nature require performance after expiration or earlier termination of this Agreement shall survive such expiration or earlier termination.

§ 16.2 The waiver by one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any provision hereof, shall be limited to the particular waiver or non-enforcement, and shall

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not operate or be deemed to waive any future breach of this Agreement or be construed to be a waiver of any other provision of this Agreement.

**§ 16.3** Each party hereto agrees to do all acts and things and to make, execute and deliver such written instruments as from time to time are reasonably required to carry out the terms and intent of this Agreement. The Contractor shall, and cause all of its Subcontractors to, fully cooperate with the Owner and comply with all reasonable requests by the Owner for reports, certificates, statements and further services which are not inconsistent with the terms and conditions of this Agreement.

**§ 16.4** The Contractor hereby warrants and represents that the Contractor shall not knowingly or negligently communicate or disclose at any time to any person or entity any information in connection with the Project, except (i) with the Owner's prior written consent, (ii) as necessary to perform the Work, provided the Owner receives prior notice of such necessity, (iii) as may be required by law, or (iv) information which is in the public domain. Any authorized communication or disclosure shall be limited strictly to the extent of such authorization. If any person or entity seeks from the Contractor any information concerning the Project, the Contractor shall promptly notify the Owner. All information, records and documents furnished by the Owner in connection with the Project are hereby considered privileged and confidential. The Contractor shall cause any Subcontractors or any other person or entity performing any portion of the Work to warrant and represent the items set forth in this Section 16.4. The representations and warranties contained herein shall survive the complete performance of the Work or earlier termination of the Agreement.

**§ 16.5** The Owner and the Contractor, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. The Contractor shall not assign this Agreement without the written consent of the Owner. The Contractor under this Agreement may not assign any monies due to the Contractor under this Agreement without the prior written consent of the Owner.

**§ 16.6** The Contractor agrees that it will include the terms of the Agreement and the other Contract Documents in its subcontracts and other agreements with persons or entities performing Work on behalf of the Contractor for the Project (other than financial and business terms unrelated to such parties' Work).

**§ 16.7** The Owner shall have the right to assign this Agreement to any affiliated entities or its Lender or any future purchaser of the Project, effective as of the date of a written notice provided by the Owner. The Owner shall have the right to assign this Agreement to any other parties with the prior written consent of the Contractor, which shall not be withheld so long as such assignee agrees to remain responsible to fulfill the outstanding terms and conditions of this Agreement, including the financial obligations. In the event of an assignment to an affiliate or any other party, in the event that the Contractor reasonably believes, after receipt of reasonable evidence, that the assignee is unable to fulfill the Owner's financial obligations hereunder, the Owner shall be entitled to assign this Agreement as aforesaid, but shall remain contingently liable for the Owner's financial obligations hereunder.

**§ 16.8** The Construction Manager agrees that all services rendered in connection with the Project prior to the date of this Agreement and hereby deemed part of the Work under this Agreement and shall be governed hereby. The Construction Manager further represents and warrants to the Owner that the Construction Manager is not aware of any claims that the Construction Manager may have in connection with the Project as of the date of this Agreement including, without limitation, any claim for an adjustment in compensation and the Construction Manager hereby waives and forfeits all right to any such claim of which the Construction Manager should have knowledge.

**§ 16.9** All notices given under this Agreement shall be in writing and shall be deemed properly served if delivered in person to the individual to whom it is addressed, or transmitted by fax with confirmation of receipt, or two (2) business days after deposit in the United States mail, if sent postage prepaid by United States registered or certified mail, return receipt requested. All notices shall be sent to the persons and addresses set forth below:

If to Owner:

Dave Zaccardelli  
United Therapeutics Corporation  
One Park Drive

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(4090456021)

Research Triangle Park, NC 27709  
Phone: 919-485-8530 x1239  
Fax:  
e-mail: dzaccardelli@unither.com

With a copy to:

Avi Halpert  
United Therapeutics Corporation  
1110 Spring Street  
Silver Spring, MD 20910  
Phone: 240-821-1688  
Fax: 301-589-0855  
e-mail: ahalpert@unither.com

If to Contractor:

Randy Preston  
DPR Construction, Inc.  
TBD  
Raleigh, NC

(Paragraph deleted)

Phone: 919-538-9432  
Fax: 919-549-7317

(Paragraph deleted)

e-mail: RANDALLP@dprinc.com

With a copy to:

(Paragraph deleted)

Jeffrey B. Vertucci  
DPR Construction, Inc.  
2941 Fairview Park Drive, Suite 600  
Falls Church, VA 22042  
Phone: 703-698-0100 Ext. 3583  
Fax: 703-698-1710

(Paragraph deleted)

e-mail: jeffve@dprinc.com

(Paragraph deleted)

(Paragraph deleted)

Any of the foregoing parties may designate an alternate person to receive notice in writing in the manner provided herein for the service of notice.

**§ 16.10** The Contractor acknowledges receipt of the documents listed in Exhibit G and agrees that all Work shall be performed in accordance with the requirements and/or restrictions contained in such documents.

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

**UNITED THERAPEUTICS CORPORATION**

**DPR CONSTRUCTION, INC.**

---

**OWNER** *(Signature)*

---

**CONTRACTOR** *(Signature)*

*(Printed name and title)*

*(Printed name and title)*

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**EXHIBIT A**

**SCOPE OF WORK**

**(see Guaranteed Maximum Price)**

---

**EXHIBIT B**

**GENERAL CONDITIONS**

**(A201 as amended)**

---

***General Conditions of the Contract for Construction***

**for the following PROJECT:**

*(Name and location or address):*

Administration/Laboratory/Manufacturing Facility located in Research Triangle Park, NC, as more fully described on Exhibit A attached to the Agreement

**THE OWNER:**

*(Name and address):*

United Therapeutics Corporation  
1110 Spring Street  
Silver Spring, MD 20910

**THE ARCHITECT:**

*(Name and address):*

O’Neal, Inc., d/b/a O’Neal Engineering, Inc.  
3000 RDU Center Drive, Suite 200  
Morrisville, NC 27560

**THE CONTRACTOR:**

*(Name and address):*

DPR Construction, Inc.  
2941 Fairview Park Drive, Suite 600  
Falls Church, VA 22042

**TABLE OF ARTICLES**

|           |                                                         |
|-----------|---------------------------------------------------------|
| <b>1</b>  | <b>GENERAL PROVISIONS</b>                               |
| <b>2</b>  | <b>OWNER</b>                                            |
| <b>3</b>  | <b>CONTRACTOR</b>                                       |
| <b>4</b>  | <b>ADMINISTRATION OF THE CONTRACT</b>                   |
| <b>5</b>  | <b>SUBCONTRACTORS</b>                                   |
| <b>6</b>  | <b>CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS</b> |
| <b>7</b>  | <b>CHANGES IN THE WORK</b>                              |
| <b>8</b>  | <b>TIME</b>                                             |
| <b>9</b>  | <b>PAYMENTS AND COMPLETION</b>                          |
| <b>10</b> | <b>PROTECTION OF PERSONS AND PROPERTY</b>               |
| <b>11</b> | <b>INSURANCE AND BONDS</b>                              |
| <b>12</b> | <b>UNCOVERING AND CORRECTION OF WORK</b>                |

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This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document has been approved and endorsed by The Associated General Contractors of America





**13 MISCELLANEOUS PROVISIONS**

**14 TERMINATION OR SUSPENSION OF THE CONTRACT**

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## INDEX

(Numbers and Topics in Bold are Section Headings)

### **Acceptance of Nonconforming Work**

9.6.6, 9.9.3, **12.3**

Acceptance of Work

9.6.6, 9.8.2, 9.9.3, 9.10.1, 9.10.3, 12.3

### **Access to Work**

**3.16, 6.2.1, 12.1**

Accident Prevention

4.2.3, 10

Acts and Omissions

3.2, 3.3.2, 3.12.8, 3.18, 4.2.3, 4.3.8, 4.4.1, 8.3.1, 9.5.1, 10.2.5, 13.4.2, 13.7, 14.1

Addenda

1.1.1, 3.11

Additional Costs, Claims for

4.3.4, 4.3.5, 4.3.6, 6.1.1, 10.3

Additional Inspections and Testing

9.8.3, 12.2.1, 13.5

Additional Time, Claims for

4.3.4, 4.3.7, 8.3.2

## **ADMINISTRATION OF THE CONTRACT**

3.1.3, **4**, 9.4, 9.5

Advertisement or Invitation to Bid

1.1.1

Aesthetic Effect

4.2.13, 4.5.1

### **Allowances**

**3.8**

All-risk Insurance

11.4.1.1

### **Applications for Payment**

4.2.5, 7.3.8, 9.2, **9.3**, 9.4, 9.5.1, 9.6.3, 9.7.1, 9.8.5, 9.10, 11.1.3, 14.2.4, 14.4.3

Approvals

2.4, 3.1.3, 3.5, 3.10.2, 3.12, 4.2.7, 9.3.2, 13.4.2, 13.5

### **Arbitration**

4.3.3, 4.4, 4.5.1, 4.5.2, **4.6**, 8.3.1, 9.7.1, 11.4.9, 11.4.10

### **Architect**

**4.1**

Architect, Definition of

4.1.1

Architect, Extent of Authority

2.4, 3.12.7, 4.2, 4.3.6, 4.4, 5.2, 6.3, 7.1.2, 7.3.6, 7.4, 9.2, 9.3.1, 9.4, 9.5, 9.8.3, 9.10.1, 9.10.3, 12.1, 12.2.1, 13.5.1, 13.5.2, 14.2.2, 14.2.4

Architect, Limitations of Authority and Responsibility

2.1.1, 3.3.3, 3.12.4, 3.12.8, 3.12.10, 4.1.2, 4.2.1, 4.2.2, 4.2.3, 4.2.6, 4.2.7, 4.2.10, 4.2.12, 4.2.13, 4.4, 5.2.1, 7.4, 9.4.2, 9.6.4, 9.6.6

Architect's Additional Services and Expenses

2.4, 11.4.1.1, 12.2.1, 13.5.2, 13.5.3, 14.2.4

### **Architect's Administration of the Contract**

3.1.3, **4.2**, 4.3.4, 4.4, 9.4, 9.5

Architect's Approvals

2.4, 3.1.3, 3.5.1, 3.10.2, 4.2.7

Architect's Authority to Reject Work

3.5.1, 4.2.6, 12.1.2, 12.2.1

Architect's Copyright

1.6

Architect's Decisions

4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.3.4, 4.4.1, 4.4.5, 4.4.6, 4.5, 6.3, 7.3.6, 7.3.8, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.5.2, 14.2.2, 14.2.4

Architect's Inspections

4.2.2, 4.2.9, 4.3.4, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 13.5

Architect's Instructions

3.2.3, 3.3.1, 4.2.6, 4.2.7, 4.2.8, 7.4.1, 12.1, 13.5.2

Architect's Interpretations

4.2.11, 4.2.12, 4.3.6

Architect's Project Representative

4.2.10

Architect's Relationship with Contractor

1.1.2, 1.6, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.4.2, 3.5.1, 3.7.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.1.3, 4.2, 4.3.4, 4.4.1, 4.4.7, 5.2, 6.2.2, 7, 8.3.1,

9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 11.4.7, 12, 13.4.2, 13.5  
Architect’s Relationship with Subcontractors  
1.1.2, 4.2.3, 4.2.4, 4.2.6, 9.6.3, 9.6.4, 11.4.7  
Architect’s Representations  
9.4.2, 9.5.1, 9.10.1  
Architect’s Site Visits  
4.2.2, 4.2.5, 4.2.9, 4.3.4, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.5  
Asbestos  
10.3.1  
Attorneys’ Fees  
3.18.1, 9.10.2, 10.3.3  
Award of Separate Contracts  
6.1.1, 6.1.2

**Award of Subcontracts and Other Contracts for Portions of the Work ☒**

**5.2**  
**Basic Definitions**

**1.1**  
Bidding Requirements  
1.1.1, 1.1.7, 5.2.1, 11.5.1  
**Boiler and Machinery Insurance**  
11.4.2  
Bonds, Lien  
9.10.2  
Bonds, Performance, and Payment  
7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5  
Building Permit  
3.7.1

**Capitalization**  
**1.3**  
Certificate of Substantial Completion  
9.8.3, 9.8.4, 9.8.5

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**Certificates for Payment**

4.2.5, 4.2.9, 9.3.3, **9.4** , 9.5, 9.6.1, 9.6.6, 9.7.1, 9.10.1, 9.10.3, 13.7, 14.1.1.3, 14.2.4

Certificates of Inspection, Testing or Approval

13.5.4

Certificates of Insurance

9.10.2, 11.1.3

**Change Orders**

1.1.1, 2.4.1, 3.4.2, 3.8.2.3, 3.11.1, 3.12.8, 4.2.8, 4.3.4, 4.3.9, 5.2.3, 7.1, **7.2** , 7.3, 8.3.1, 9.3.1.1, 9.10.3, 11.4.1.2, 11.4.4, 11.4.9, 12.1.2

Change Orders, Definition of

7.2.1

**CHANGES IN THE WORK**

3.11, 4.2.8, **7** , 8.3.1, 9.3.1.1, 11.4.9

Claim, **Definition of**

**4.3.1**

**Claims and Disputes**

3.2.3, **4.3** , 4.4, 4.5, 4.6, 6.1.1, 6.3, 7.3.8, 9.3.3, 9.10.4, 10.3.3

**Claims and Timely Assertion of Claims**

**4.6.5**

**Claims for Additional Cost**

3.2.3, 4.3.4, **4.3.5** , 4.3.6, 6.1.1, 7.3.8, 10.3.2

**Claims for Additional Time**

3.2.3, 4.3.4, **4.3.7** , 6.1.1, 8.3.2, 10.3.2

**Claims for Concealed or Unknown Conditions**

**4.3.4**

Claims for Damages

3.2.3, 3.18, 4.3.10, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.1.1, 11.4.5, 11.4.7, 14.1.3, 14.2.4

Claims Subject to Arbitration

4.4.1, 4.5.1, 4.6.1

**Cleaning Up**

**3.15, 6.3**

**Commencement of Statutory Limitation Period**

**13.7**

Commencement of the Work, Conditions Relating to

2.2.1, 3.2.1, 3.4.1, 3.7.1, 3.10.1, 3.12.6, 4.3.5, 5.2.1, 5.2.3, 6.2.2, 8.1.2, 8.2.2, 8.3.1, 11.1, 11.4.1, 11.4.6, 11.5.1

Commencement of the Work, Definition of

8.1.2

**Communications Facilitating Contract Administration**

3.9.1, **4.2.4**

Completion, Conditions Relating to

1.6.1, 3.4.1, 3.11, 3.15, 4.2.2, 4.2.9, 8.2, 9.4.2, 9.8, 9.9.1, 9.10, 12.2, 13.7, 14.1.2

**COMPLETION, PAYMENTS AND**

**9**

Completion, Substantial

4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3, 9.10.4.2, 12.2, 13.7

Compliance with Laws

1.6.1, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6.4, 4.6.6, 9.6.4, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14.1.1, 14.2.1.3

Concealed or Unknown Conditions

4.3.4, 8.3.1, 10.3

Conditions of the Contract

1.1.1, 1.1.7, 6.1.1, 6.1.4

Consent, Written

1.6, 3.4.2, 3.12.8, 3.14.2, 4.1.2, 4.3.4, 4.6.4, 9.3.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 11.4.1, 13.2, 13.4.2

**CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS**

1.1.4, **6**

Construction Change Directive, Definition of

7.3.1

**Construction Change Directives**

1.1.1, 3.12.8, 4.2.8, 4.3.9, 7.1, **7.3** , 9.3.1.1

Construction Schedules, Contractor's

1.4.1.2, 3.10, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3

**Contingent Assignment of Subcontracts**

**5.4, 14.2.2.2**

**Continuing Contract Performance**

**4.3.3**

Contract, Definition of

1.1.2

**CONTRACT, TERMINATION OR SUSPENSION OF THE**

5.4.1.1, 11.4.9, **14**

Contract Administration

3.1.3, 4, 9.4, 9.5

Contract Award and Execution, Conditions Relating to

3.7.1, 3.10, 5.2, 6.1, 11.1.3, 11.4.6, 11.5.1

**Contract Documents, The**

**1.1, 1.2**

Contract Documents, Copies Furnished and Use of

1.6, 2.2.5, 5.3

Contract Documents, Definition of

1.1.1

**Contract Sum**

3.8, 4.3.4, 4.3.5, 4.4.5, 5.2.3, 7.2, 7.3, 7.4, **9.1**, 9.4.2, 9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.4.1, 14.2.4, 14.3.2

Contract Sum, Definition of

9.1

Contract Time

4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1.3, 7.3, 7.4, 8.1.1, 8.2, 8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1, 14.3.2

Contract Time, Definition of

8.1.1

**CONTRACTOR**

**3**

Contractor, Definition of

3.1, 6.1.2

**Contractor's Construction Schedules**

1.4.1.2, **3.10**, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3

Contractor's Employees

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.1.1, 11.4.7, 14.1, 14.2.1.1,

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## **Contractor's Liability Insurance**

### **11.1**

Contractor's Relationship with Separate Contractors and Owner's Forces

3.12.5, 3.14.2, 4.2.4, 6, 11.4.7, 12.1.2, 12.2.4

Contractor's Relationship with Subcontractors

1.2.2, 3.3.2, 3.18.1, 3.18.2, 5, 9.6.2, 9.6.7, 9.10.2, 11.4.1.2, 11.4.7, 11.4.8

Contractor's Relationship with the Architect

1.1.2, 1.6, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.4.2, 3.5.1, 3.7.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.1.3, 4.2, 4.3.4, 4.4.1, 4.4.7, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 11.4.7, 12, 13.4.2, 13.5

Contractor's Representations

1.5.2, 3.5.1, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.8.2

Contractor's Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.3, 4.3.8, 5.3.1, 6.1.3, 6.2, 6.3, 9.5.1, 10

Contractor's Review of Contract Documents

1.5.2, 3.2, 3.7.3

Contractor's Right to Stop the Work

9.7

Contractor's Right to Terminate the Contract

4.3.10, 14.1

Contractor's Submittals

3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.6, 9.2, 9.3, 9.8.2, 9.8.3, 9.9.1, 9.10.2, 9.10.3, 11.1.3, 11.5.2

Contractor's Superintendent

3.9, 10.2.6

Contractor's Supervision and Construction Procedures

1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 4.3.3, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 7.3.6, 8.2, 10, 12, 14

Contractual Liability Insurance

11.1.1.8, 11.2, 11.3

Coordination and Correlation

1.2, 1.5.2, 3.3.1, 3.10, 3.12.6, 6.1.3, 6.2.1

Copies Furnished of Drawings and Specifications

1.6, 2.2.5, 3.11

Copyrights

1.6, 3.17

Correction of Work

2.3, 2.4, 3.7.4, 4.2.1, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, 12.2, 13.7.1.3

## **Correlation and Intent of the Contract Documents**

### **1.2**

Cost, Definition of

7.3.6

Costs

2.4, 3.2.3, 3.7.4, 3.8.2, 3.15.2, 4.3, 5.4.2, 6.1.1, 6.2.3, 7.3.3.3, 7.3.6, 7.3.7, 7.3.8, 9.10.2, 10.3.2, 10.5, 11.3, 11.4, 12.1, 12.2.1, 12.2.4, 13.5, 14

## **Cutting and Patching**

6.2.5, **3.14**

Damage to Construction of Owner or Separate Contractors

3.14.2, 6.2.4, 9.2.1.5, 10.2.1.2, 10.2.5, 10.6, 11.1, 11.4, 12.2.4

Damage to the Work

3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.6, 11.4, 12.2.4

Damages, Claims for

3.2.3, 3.18, 4.3.10, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.1.1, 11.4.5, 11.4.7, 14.1.3, 14.2.4

Damages for Delay

6.1.1, 8.3.3, 9.5.1.6, 9.7, 10.3.2

Date of Commencement of the Work, Definition of

8.1.2

Date of Substantial Completion, Definition of

8.1.3

Day, Definition of

8.1.4

Decisions of the Architect

4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.3.4, 4.4.1, 4.4.5, 4.4.6, 4.5, 6.3, 7.3.6, 7.3.8, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.5.2, 14.2.2, 14.2.4

## **Decisions to Withhold Certification**

9.4.1, **9.5**, 9.7, 14.1.1.3

Defective or Nonconforming Work, Acceptance, Rejection and Correction of

2.3, 2.4, 3.5.1, 4.2.6, 6.2.5, 9.5.1, 9.5.2, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1, 13.7.1.3

Defective Work, Definition of

3.5.1

Definitions

1.1, 2.1.1, 3.1, 3.5.1, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 4.3.1, 5.1, 6.1.2, 7.2.1, 7.3.1, 7.3.6, 8.1, 9.1, 9.8.1

**Delays and Extensions of Time**

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3.1, 7.4.1, **8.3** , 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

**Disputes**

4.1.4, 4.3, 4.4, 4.5, 4.6, 6.3, 7.3.8

**Documents and Samples at the Site****3.11**

Drawings, Definition of

1.1.5

Drawings and Specifications, Use and Ownership of

1.1.1, 1.3, 2.2.5, 3.11, 5.3

Effective Date of Insurance

8.2.2, 11.1.2

**Emergencies**

4.3.5, **10.6** , 14.1.1.2

Employees, Contractor's

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.1.1, 11.4.7, 14.1, 14.2.1.1

Equipment, Labor, Materials and

1.1.3, 1.1.6, 3.4, 3.5.1, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Execution and Progress of the Work

1.1.3, 1.2.1, 1.2.2, 2.2.3, 2.2.5, 3.1, 3.3, 3.4, 3.5, 3.7, 3.10, 3.12, 3.14, 4.2.2, 4.2.3, 4.3.3, 6.2.2, 7.1.3, 7.3.4, 8.2, 9.5, 9.9.1, 10.2, 10.3, 12.2, 14.2, 14.3

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**User Notes:**

(2083241502)



Extensions of Time

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3, 7.4.1, 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

**Failure of Payment**

4.3.6, 9.5.1.3, **9.7** , 9.10.2, 14.1.1.3, 14.2.1.2, 13.6

Faulty Work

( See Defective or Nonconforming Work)

**Final Completion and Final Payment**

4.2.1, 4.2.9, 4.3.2, 9.8.2, **9.10** , 11.1.2, 11.1.3, 11.4.1, 11.4.5, 12.3.1, 13.7, 14.2.4, 14.4.3

Financial Arrangements, Owner's

2.2.1, 13.2.2, 14.1.1.5

Fire and Extended Coverage Insurance

11.4

**GENERAL PROVISIONS**

**1**

**Governing Law**

**13.1**

Guarantees ( See Warranty)

Hazardous Materials

10.2.4, **10.3** , 10.5

Identification of Contract Documents

1.5.1

Identification of Subcontractors and Suppliers

5.2.1

**Indemnification**

3.17, **3.18** , 9.10.2, 10.3.3, 10.5, 11.4.1.2, 11.4.7

**Information and Services Required of the Owner**

2.1.2, **2.2** , 3.2.1, 3.12.4, 3.12.10, 4.2.7, 4.3.3, 6.1.3, 6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3, 11.2, 11.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.4

**Injury or Damage to Person or Property**

**4.3.8, 10.2, 10.6**

Inspections

3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.2, 9.8.3, 9.9.2, 9.10.1, 12.2.1, 13.5

Instructions to Bidders

1.1.1

Instructions to the Contractor

3.2.3, 3.3.1, 3.8.1, 4.2.8, 5.2.1, 7, 12, 8.2.2, 13.5.2

Insurance

3.18.1, 6.1.1, 7.3.6, 8.2.1, 9.3.2, 9.8.4, 9.9.1, 9.10.2, 9.10.5, 11

**Insurance, Boiler and Machinery**

11.4.2

**Insurance, Contractor's Liability**

11.1

Insurance, Effective Date of

8.2.2, 11.1.2

**Insurance, Loss of Use**

11.4.3

**Insurance, Owner's Liability**

11.2

**Insurance, Project Management Protective Liability**

11.3

**Insurance, Property**

10.2.5, **11.4**

Insurance, Stored Materials

9.3.2, 11.4.1.4

**INSURANCE AND BONDS**

**11**

Insurance Companies, Consent to Partial Occupancy

9.9.1, 11.4.1.5

Insurance Companies, Settlement with

11.4.10

Intent of the Contract Documents

1.2.1, 4.2.7, 4.2.12, 4.2.13, 7.4

**Interest**

**13.6**

**Interpretation**

1.2.3, **1.4** , 4.1.1, 4.3.1, 5.1, 6.1.2, 8.1.4

Interpretations, Written

4.2.11, 4.2.12, 4.3.6

Joinder and Consolidation of Claims Required

4.6.4

#### **Judgment on Final Award**

#### **4.6.6**

#### **Labor and Materials, Equipment**

1.1.3, 1.1.6, **3.4**, 3.5.1, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Labor Disputes

8.3.1

Laws and Regulations

1.6, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6, 9.6.4, 9.9.1, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14

Liens

2.1.2, 4.4.8, 8.2.2, 9.3.3, 9.10

#### **Limitation on Consolidation or Joinder**

#### **4.6.4**

Limitations, Statutes of

4.6.3, 12.2.6, 13.7

Limitations of Liability

2.3, 3.2.1, 3.5.1, 3.7.3, 3.12.8, 3.12.10, 3.17, 3.18, 4.2.6, 4.2.7, 4.2.12, 6.2.2, 9.4.2, 9.6.4, 9.6.7, 9.10.4, 10.3.3, 10.2.5, 11.1.2, 11.2.1, 11.4.7, 12.2.5, 13.4.2

Limitations of Time

2.1.2, 2.2, 2.4, 3.2.1, 3.7.3, 3.10, 3.11, 3.12.5, 3.15.1, 4.2.7, 4.3, 4.4, 4.5, 4.6, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4, 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 11.1.3, 11.4.1.5, 11.4.6, 11.4.10, 12.2, 13.5, 13.7, 14

#### **Loss of Use Insurance**

#### **11.4.3**

Material Suppliers

1.6, 3.12.1, 4.2.4, 4.2.6, 5.2.1, 9.3, 9.4.2, 9.6, 9.10.5

Materials, Hazardous

10.2.4, 10.3, 10.5

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Materials, Labor, Equipment and

1.1.3, 1.1.6, 1.6.1, 3.4, 3.5.1, 3.8.2, 3.8.23, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Means, Methods, Techniques, Sequences and Procedures of Construction

3.3.1, 3.12.10, 4.2.2, 4.2.7, 9.4.2

Mechanic's Lien

4.4.8

### **Mediation**

4.4.1, 4.4.5, 4.4.6, 4.4.8, **4.5** , 4.6.1, 4.6.2, 8.3.1, 10.5

### **Minor Changes in the Work**

1.1.1, 3.12.8, 4.2.8, 4.3.6, 7.1, **7.4**

## **MISCELLANEOUS PROVISIONS**

### **13**

Modifications, Definition of

1.1.1

Modifications to the Contract

1.1.1, 1.1.2, 3.7.3, 3.11, 4.1.2, 4.2.1, 5.2.3, 7, 8.3.1, 9.7, 10.3.2, 11.4.1

### **Mutual Responsibility**

#### **6.2**

### **Nonconforming Work, Acceptance of**

9.6.6, 9.9.3, **12.3**

Nonconforming Work, Rejection and Correction of

2.3, 2.4, 3.5.1, 4.2.6, 6.2.5, 9.5.1, 9.8.2, 9.9.3, 9.10.4, 12.2.1, 13.7.1.3

Notice

2.2.1, 2.3, 2.4, 3.2.3, 3.3.1, 3.7.2, 3.7.4, 3.12.9, 4.3, 4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 11.1.3, 11.4.6, 12.2.2, 12.2.4, 13.3, 13.5.1, 13.5.2, 14.1, 14.2

### **Notice, Written**

2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 4.3, 4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 11.4.6, 12.2.2, 12.2.4, **13.3** , 14

Notice of Testing and Inspections

13.5.1, 13.5.2

Notice to Proceed

8.2.2

### **Notices, Permits, Fees and**

2.2.2, **3.7** , 3.13, 7.3.6.4, 10.2.2

Observations, Contractor's

1.5.2, 3.2, 3.7.3, 4.3.4

Occupancy

2.2.2, 9.6.6, 9.8, 11.4.1.5

Orders, Written

1.1.1, 2.3, 3.9, 4.3.6, 7, 8.2.2, 11.4.9, 12.1, 12.2, 13.5.2, 14.3.1

## **OWNER**

### **2**

Owner, Definition of

2.1

### **Owner, Information and Services Required of the**

2.1.2, **2.2** , 3.2.1, 3.12.4, 3.12.10, 4.2.7, 4.3.3, 6.1.3, 6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3, 11.2, 11.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.4

Owner's Authority

1.6, 2.1.1, 2.3, 2.4, 3.4.2, 3.8.1, 3.12.10, 3.14.2, 4.1.2, 4.1.3, 4.2.4, 4.2.9, 4.3.6, 4.4.7, 5.2.1, 5.2.4, 5.4.1, 6.1, 6.3, 7.2.1, 7.3.1, 8.2.2, 8.3.1, 9.3.1, 9.3.2, 9.5.1, 9.9.1, 9.10.2, 10.3.2, 11.1.3, 11.3.1, 11.4.3, 11.4.10, 12.2.2, 12.3.1, 13.2.2, 14.3, 14.4

Owner's Financial Capability

2.2.1, 13.2.2, 14.1.1.5

### **Owner's Liability Insurance**

#### **11.2**

Owner's Loss of Use Insurance

11.4.3

Owner's Relationship with Subcontractors

1.1.2, 5.2, 5.3, 5.4, 9.6.4, 9.10.2, 14.2.2

### **Owner's Right to Carry Out the Work**

**2.4, 12.2.4. 14.2.2.2**

### **Owner's Right to Clean Up**

#### **6.3**

### **Owner's Right to Perform Construction and to Award Separate Contracts**

#### **6.1**

### **Owner's Right to Stop the Work**

#### **2.3**

Owner's Right to Suspend the Work

14.3  
 Owner's Right to Terminate the Contract  
 14.2  
**Ownership and Use of Drawings, Specifications and Other Instruments of Service**  
 1.1.1, **1.6** , 2.2.5, 3.2.1, 3.11.1, 3.17.1, 4.2.12, 5.3  
**Partial Occupancy or Use**  
 9.6.6, **9.9** , 11.4.1.5  
**Patching, Cutting and**  
**3.14, 6.2.5**  
 Patents  
 3.17  
**Payment, Applications for**  
 4.2.5, 7.3.8, 9.2, **9.3** , 9.4, 9.5.1, 9.6.3, 9.7.1, 9.8.5, 9.10.1, 9.10.3, 9.10.5, 11.1.3, 14.2.4, 14.4.3  
**Payment, Certificates for**  
 4.2.5, 4.2.9, 9.3.3, **9.4** , 9.5, 9.6.1, 9.6.6, 9.7.1, 9.10.1, 9.10.3, 13.7, 14.1.1.3, 14.2.4  
**Payment, Failure of**  
 4.3.6, 9.5.1.3, **9.7** , 9.10.2, 14.1.1.3, 14.2.1.2, 13.6  
 Payment, Final  
 4.2.1, 4.2.9, 4.3.2, 9.8.2, 9.10, 11.1.2, 11.1.3, 11.4.1, 11.4.5, 12.3.1, 13.7, 14.2.4, 14.4.3  
**Payment Bond, Performance Bond and**  
 7.3.6.4, 9.6.7, 9.10.3, 11.4.9, **11.5**  
 Payments, Progress  
 4.3.3, 9.3, 9.6, 9.8.5, 9.10.3, 13.6, 14.2.3  
**PAYMENTS AND COMPLETION**  
**9**  
 Payments to Subcontractors  
 5.4.2, 9.5.1.3, 9.6.2, 9.6.3, 9.6.4, 9.6.7, 11.4.8, 14.2.1.2  
 PCB  
 10.3.1

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## **Performance Bond and Payment Bond**

7.3.6.4, 9.6.7, 9.10.3, 11.4.9, **11.5**

## **Permits, Fees and Notices**

2.2.2, **3.7** , 3.13, 7.3.6.4, 10.2.2

## **PERSONS AND PROPERTY, PROTECTION OF 10**

Polychlorinated Biphenyl

10.3.1

Product Data, Definition of

3.12.2

## **Product Data and Samples, Shop Drawings**

3.11, **3.12** , 4.2.7

## **Progress and Completion**

4.2.2, 4.3.3, **8.2** , 9.8, 9.9.1, 14.1.4

## **Progress Payments**

4.3.3, 9.3, **9.6** , 9.8.5, 9.10.3, 13.6, 14.2.3

Project, Definition of the

1.1.4

## **Project Management Protective Liability Insurance 11.3**

Project Manual, Definition of the

1.1.7

Project Manuals

2.2.5

Project Representatives

4.2.10

## **Property Insurance**

10.2.5, **11.4**

## **PROTECTION OF PERSONS AND PROPERTY 10**

Regulations and Laws

1.6, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6, 9.6.4, 9.9.1, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14

Rejection of Work

3.5.1, 4.2.6, 12.2.1

Releases and Waivers of Liens

9.10.2

Representations

1.5.2, 3.5.1, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.4.2, 9.5.1, 9.8.2, 9.10.1

Representatives

2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.1, 4.2.10, 5.1.1, 5.1.2, 13.2.1

## **Resolution of Claims and Disputes**

**4.4, 4.5, 4.6**

Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.3, 4.3.8, 5.3.1, 6.1.3, 6.2, 6.3, 9.5.1, 10

Retainage

9.3.1, 9.6.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3

## **Review of Contract Documents and Field Conditions by Contractor**

1.5.2, **3.2** , 3.7.3, 3.12.7, 6.1.3

Review of Contractor's Submittals by Owner and Architect

3.10.1, 3.10.2, 3.11, 3.12, 4.2, 5.2, 6.1.3, 9.2, 9.8.2

Review of Shop Drawings, Product Data and Samples by Contractor

3.12

## **Rights and Remedies**

1.1.2, 2.3, 2.4, 3.5.1, 3.15.2, 4.2.6, 4.3.4, 4.5, 4.6, 5.3, 5.4, 6.1, 6.3, 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.2, 12.2.4, **13.4** , 14

## **Royalties, Patents and Copyrights**

**3.17**

Rules and Notices for Arbitration

4.6.2

## **Safety of Persons and Property**

**10.2, 10.6**

## **Safety Precautions and Programs**

3.3.1, 4.2.2, 4.2.7, 5.3.1, **10.1** , 10.2, 10.6

Samples, Definition of

3.12.3

## **Samples, Shop Drawings, Product Data and**

3.11, **3.12** , 4.2.7

## **Samples at the Site, Documents and**

### 3.11

#### Schedule of Values

#### 9.2, 9.3.1

Schedules,

1.4.1.2, 3.10, 3.Construction12.1, 3.12.2, 4.3.7.2, 6.1.3

Separate Contracts and Contractors

1.1.4, 3.12.5, 3.14.2, 4.2.4, 4.2.7, 4.6.4, 6, 8.3.1, 11.4.7, 12.1.2, 12.2.5

Shop Drawings, Definition of

3.12.1

#### Shop Drawings, Product Data and Samples

3.11, 3.12 , 4.2.7

#### Site, Use of

#### 3.13, 6.1.1, 6.2.1

Site Inspections

1.2.2, 3.2.1, 3.3.3, 3.7.1, 4.2, 4.3.4, 9.4.2, 9.10.1, 13.5

Site Visits, Architect's

4.2.2, 4.2.9, 4.3.4, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.5

Special Inspections and Testing

4.2.6, 12.2.1, 13.5

Specifications, Definition of the

1.1.6

#### Specifications, The

1.1.1, 1.1.6 , 1.1.7, 1.2.2, 1.6, 3.11, 3.12.10, 3.17

Statute of Limitations

4.6.3, 12.2.6, 13.7

Stopping the Work

2.3, 4.3.6, 9.7, 10.3, 14.1

Stored Materials

6.2.1, 9.3.2, 10.2.1.2, 10.2.4, 11.4.1.4

Subcontractor, Definition of

5.1.1

#### SUBCONTRACTORS

5

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Subcontractors, Work by  
1.2.2, 3.3.2, 3.12.1, 4.2.3, 5.2.3, 5.3, 5.4, 9.3.1.2, 9.6.7

**Subcontractual Relations**

**5.3, 5.4, 9.3.1.2, 9.6, 9.10 10.2.1, 11.4.7, 11.4.8, 14.1, 14.2.1, 14.3.2**

**Submittals**

1.6, 3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.6, 9.2, 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3, 11.1.3

**Subrogation, Waivers of**

6.1.1, 11.4.5, **11.4.7**

**Substantial Completion**

4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, **9.8** , 9.9.1, 9.10.3, 9.10.4.2, 12.2, 13.7

Substantial Completion, Definition of

9.8.1

Substitution of Subcontractors

5.2.3, 5.2.4

Substitution of Architect

4.1.3

Substitutions of Materials

3.4.2, 3.5.1, 7.3.7

Sub-subcontractor, Definition of

5.1.2

Subsurface Conditions

4.3.4

**Successors and Assigns**

**13.2**

**Superintendent**

**3.9, 10.2.6**

**Supervision and Construction Procedures**

1.2.2, **3.3** , 3.4, 3.12.10, 4.2.2, 4.2.7, 4.3.3, 6.1.3, 6.2.4, 7.1.3, 7.3.6, 8.2, 8.3.1, 9.4.2, 10, 12, 14

Surety

4.4.7, 5.4.1.2, 9.8.5, 9.10.2, 9.10.3, 14.2.2

Surety, Consent of

9.10.2, 9.10.3

Surveys

2.2.3

**Suspension by the Owner for Convenience**

**14.4**

Suspension of the Work

5.4.2, 14.3

Suspension or Termination of the Contract

4.3.6, 5.4.1.1, 11.4.9, 14

**Taxes**

**3.6, 3.8.2.1, 7.3.6.4**

**Termination by the Contractor**

4.3.10, **14.1**

**Termination by the Owner for Cause**

4.3.10, 5.4.1.1, **14.2**

Termination of the Architect

4.1.3

Termination of the Contractor

14.2.2

**TERMINATION OR SUSPENSION OF THE CONTRACT**

**14**

**Tests and Inspections**

3.1.3, 3.3.3, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 10.3.2, 11.4.1.1, 12.2.1, **13.5**

**TIME**

**8**

**Time, Delays and Extensions of**

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3.1, 7.4.1, **8.3** , 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

Time Limits

2.1.2, 2.2, 2.4, 3.2.1, 3.7.3, 3.10, 3.11, 3.12.5, 3.15.1, 4.2, 4.3, 4.4, 4.5, 4.6, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4, 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7,

9.8, 9.9, 9.10, 11.1.3, 11.4.1.5, 11.4.6, 11.4.10, 12.2, 13.5, 13.7, 14

**Time Limits on Claims**

**4.3.2, 4.3.4, 4.3.8, 4.4, 4.5, 4.6**

Title to Work

9.3.2, 9.3.3

**UNCOVERING AND CORRECTION OF WORK**

**12**

## **Uncovering of Work**

### **12.1**

Unforeseen Conditions

4.3.4, 8.3.1, 10.3

Unit Prices

4.3.9, 7.3.3.2

Use of Documents

1.1.1, 1.6, 2.2.5, 3.12.6, 5.3

### **Use of Site**

**3.13, 6.1.1, 6.2.1**

### **Values, Schedule of**

#### **9.2, 9.3.1**

Waiver of Claims by the Architect

13.4.2

Waiver of Claims by the Contractor

4.3.10, 9.10.5, 11.4.7, 13.4.2

Waiver of Claims by the Owner

4.3.10, 9.9.3, 9.10.3, 9.10.4, 11.4.3, 11.4.5, 11.4.7, 12.2.2.1, 13.4.2, 14.2.4

### **Waiver of Consequential Damages**

**4.3.10, 14.2.4**

Waiver of Liens

9.10.2, 9.10.4

### **Waivers of Subrogation**

6.1.1, 11.4.5, **11.4.7**

### **Warranty**

**3.5, 4.2.9, 4.3.5.3, 9.3.3, 9.8.4, 9.9.1, 9.10.4, 12.2.2, 13.7.1.3**

Weather Delays

4.3.7.2

Work, Definition of

1.1.3

Written Consent

1.6, 3.4.2, 3.12.8, 3.14.2, 4.1.2, 4.3.4, 4.6.4, 9.3.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 11.4.1, 13.2, 13.4.2

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Written Interpretations

4.2.11, 4.2.12, 4.3.6

**Written Notice**

2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 4.3, 4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 11.4.6, 12.2.2, 12.2.4, **13.3** , 14

Written Orders

1.1.1, 2.3, 3.9, 4.3.6, 7, 8.2.2, 11.4.9, 12.1, 12.2, 13.5.2, 14.3.1

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## **ARTICLE 1 GENERAL PROVISIONS**

### **§ 1.1 BASIC DEFINITIONS**

#### **§ 1.1.1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of the Agreement between Owner and Contractor, including all Exhibits, of which these General Conditions are Exhibit B) (hereinafter the “Agreement”), other Conditions of the Contract (Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include other documents such as bidding requirements (advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor’s bid or portions of Addenda relating to bidding requirements). The Contractor acknowledges that he has had an opportunity to visit the site and to consult with the Architect, the Owner and the Owner’s representatives to obtain any clarifications necessary to establish the Contract Sum. In that regard, Contractor warrants that it has reviewed the Contract Documents.

#### **§ 1.1.2 THE CONTRACT**

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or Sub-subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Owner and Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect’s duties.

#### **§ 1.1.3 THE WORK**

The term “Work” means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations. The Work may constitute the whole or a part of the Project.

#### **§ 1.1.4 THE PROJECT**

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner or by separate contractors.

#### **§ 1.1.5 THE DRAWINGS**

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

#### **§ 1.1.6 THE SPECIFICATIONS**

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

#### **§ 1.1.7 THE PROJECT MANUAL**

The Project Manual is a volume assembled for the Work which may include the bidding requirements, sample forms, Conditions of the Contract and Specifications.

#### **§ 1.1.8 KNOWLEDGE**

The terms “knowledge,” “recognize,” “observe” and “discover,” their respective derivatives and similar terms, as used in the Contract Documents referring to the Contractor, shall be interpreted to mean what the Contractor knows, recognizes, observes and discovers in exercising the care, skill and diligence required by the Contract Documents. The expression “reasonably inferable” shall be interpreted to mean reasonably inferable by a contractor familiar with the Project and exercising the care, skill and diligence required by the Contract Documents.

#### **§ 1.1.9 CONTRACTOR’S COST AND EXPENSE**

Whenever in these General Conditions the Contractor is required to bear a cost “at it’s expense”, “at it’s cost” or similar phrases, such costs and expenses shall be reimbursable as Cost of the Work to the extent permitted by the provisions of Article 7 of the Agreement and not excluded by the provisions of Article 8 of the Agreement.

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## § 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade. In general, the Drawings shall be considered as establishing location, quantity and relationship of materials and the Specifications shall be considered as defining type and quality of materials and workmanship requirements. In the event of an inconsistency between the Drawings and Specifications regarding quality or quantity, the quality or quantity shall be determined by reviewing the intent of the Contract Documents as a whole.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.2.4 The Contractor shall not commence the Work, or thereafter perform any Change Order Work, without prior written instructions from the Owner or its authorized representative. Drawings are, in general, drawn to scale, and are of necessity diagrammatic; symbols are used to indicate materials and structural, mechanical and electrical control requirements. The Contractor acknowledges that it is not possible to indicate all connections, fittings, fastenings, etc. which are required to be furnished for the proper execution of the Work and which are reasonably inferred from the Drawings. Any connections, fittings, fastenings, etc. required to be furnished for the proper execution of the Work and which are reasonably inferred shall be provided by the Contractor at no increase to the Contract Sum using industry standards and good construction practice as a basis for making such inference. Connections, fittings, fastenings, etc. included in the Contract Documents shall be furnished by Contractor as part of the Contract Sum. In addition, all Work and services performed by the Contractor shall conform to CGMP standards mandated by the Food and Drug Administration (and similar European and Japanese standards) and all other federal, state and local laws, ordinances, orders, rules, codes and regulations bearing on the performance of the Work ("Applicable Laws").

§ 1.2.5 It is Contractor's responsibility to request from the Architect any and all required clarifications of all questions which may have arisen or may arise as to intent of the Contract Documents. The Architect shall issue clarifications to the Contractor only after written approval thereof by the Owner. Should the Contractor have failed to request such clarification, in accordance with the standards described in Section 3.2.1 below, then the Owner or Architect (after consultation with the Owner) shall direct that the Work proceed by any method indicated, specified or required by the Contract Documents in the interest of maintaining the best construction practice, and such direction by the Owner or Architect shall not constitute the basis for a claim for extra costs or time by the Contractor. Notwithstanding the foregoing, even if the Contractor fails to request a clarification in a timely manner, and the issue involves an omission of an item in the Contract Documents, the Contractor shall not be responsible for the costs associated with providing such item (unless such item or assembly is required for the proper performance of the building system or component of which it is a part), but will be responsible for the incremental costs incurred as a result of the delay in reporting such omission.

§ 1.2.6 The Contractor shall verify all dimensions prior to execution of any particular phase of the Work. Whenever inaccuracies or discrepancies are found, the Contractor shall consult the Architect prior to any construction or demolition. Should any dimensions be missing, the Architect will be consulted and, after consultation with the Owner, will supply such dimensions prior to execution of the Work. Dimensions for items to be fitted into constructed conditions at the job will be taken at the job. Whenever a stock size manufactured item or piece of equipment is specified by its nominal size, the actual space requirements for setting or entrance to the setting space shall be determined by the Contractor and communicated in writing to the Architect prior to construction thereof. No extra costs will be allowed by reason of Work requiring adjustments in order to accommodate the particular item of equipment.

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**§ 1.2.7** Contractor shall follow the reference standards and reference specifications indicated in the Contract Documents. The applicable reference standard or reference specification shall be the most recent issue thereof as of the date of the specification or drawing in which such reference standard or reference specification is indicated, prior to the Contract signing date unless another issue is specifically indicated in such specification or drawing. Upon request, the Contractor shall make available at the Contractor's main office or at the Project site copies of all applicable reference standards and reference specifications for the use of the Architect and the Owner.

**§ 1.2.8** The Contractor represents and warrants that all of the design elements in the Project which are not functionally required, and which were designed by, under or through the Contractor, are either (i) in the public domain and not subject to a copyright or other intellectual property claim by another person or entity, or (ii) are the Contractor's independent creation, or (iii) fully within the scope of an applicable license procured by the Contractor, which shall remain in full force and effect while any portion of the Project is standing. This representation and warranty shall, notwithstanding the applicable statute of limitations, survive until the Project is destroyed, demolished or otherwise removed. If the Contractor's representation and warranty proves false or inaccurate in any material manner, the Contractor shall defend, indemnify and hold harmless the Owner, any successor-in-interest to the Owner and any successor in title from any loss or expense (including attorneys' fees and other court costs) resulting therefrom. This indemnification shall be in addition to all other remedies afforded the Owner under this Agreement, by law or in equity and shall survive termination or expiration of this Agreement.

### **§ 1.3 CAPITALIZATION**

**§ 1.3.1** Terms capitalized in these General Conditions include those which are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

### **§ 1.4 INTERPRETATION**

**§ 1.4.1** In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

### **§ 1.5 EXECUTION OF CONTRACT DOCUMENTS**

**§ 1.5.1** The Contract Documents shall be signed by the Owner and Contractor. If either the Owner or Contractor or both do not sign all the Contract Documents, the Architect shall identify such unsigned Documents upon request.

**§ 1.5.2** Execution of the Contract by the Contractor is a representation that the Contractor has carefully reviewed all of the Contract Documents, visited the Site, become familiar with local conditions under which the Work is to be performed (including, without limitation, the location, condition, layout and nature of the Site and surrounding areas, generally prevailing climatic conditions, anticipated labor supply and costs, availability and costs of materials, tools and equipment) and correlated personal observations with requirements of the Contract Documents. The Contractor represents that it has had the opportunity to obtain any and all clarifications necessary to understanding the Work to be performed and to establish the Contract Sum and Project Schedule.

### **§ 1.6 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE**

(Paragraphs deleted)

**§ 1.6.1** The Drawings, Specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants, as well as all documents, reports and other information prepared by the Contractor and those within its control, are and shall remain the property of the Owner. They shall not be used on any other project without the prior written consent of the Owner. The Contractor and Subcontractors may retain one record set; all other copies shall be destroyed by the Contractor and Subcontractors after final completion of the Work and the Contractor shall provide to the Owner certifications from the Contractor and all Subcontractors regarding such destruction.

## **ARTICLE 2 OWNER**

### **§ 2.1 GENERAL**

**§ 2.1.1** The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner has designated David Zaccardelli as its representative, who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization, except as otherwise provided in a written notice to the Contractor. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

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§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the "Site", and the Owner's interest therein.

## § 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

(Paragraph deleted)

§ 2.2.1 The Owner shall secure and pay for the Building Permit. The Contractor shall provide and pay for all other necessary permits and fees, including all temporary and final certificates of occupancy.

§ 2.2.2 The Owner shall furnish surveys or other information describing physical characteristics, legal limitations and utility locations for the Site, and shall furnish or cause to be furnished to the Contractor a legal description of the Site.

(Paragraph deleted)

(Paragraphs deleted)

§ 2.2.3 Information or services under the Owner's control shall be furnished by the Owner with reasonable promptness to avoid delay in the orderly progress of the Work.

§ 2.2.4 The Contractor will be furnished, free of charge, four (4) full size and one (1) half size sets of Drawings and one copy of the Project Manual, which contains the Specifications. It shall be the Contractor's responsibility to provide as many additional copies of Drawings and Project Manuals as are reasonably necessary for execution of the Work.

## § 2.3 OWNER'S RIGHT TO STOP THE WORK

§ 2.3.1 If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or fails to carry out Work in accordance with the Contract Documents in any material respect, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity. This right shall be in addition to, and not in restriction of, the Owner's rights under Section Article 12.

§ 2.3.2 If, after consultation with the Architect, suspension of the Work is warranted by reason of unforeseen conditions, which may adversely affect the Work if such Work were continued, the Owner may suspend the Work by written notice to the Contractor. In such event, the Contract Time and/or the Contract Sum shall be adjusted accordingly. If the Contractor, in its reasonable judgment, believes that a suspension is warranted by reason of unforeseen circumstances, which may adversely affect the quality of the Work if the Work were continued, the Contractor shall immediately provide written notice to the Owner and Architect of such belief.

## § 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

§ 2.4.1 If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may after such seven-day period, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

## ARTICLE 3 CONTRACTOR

### § 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents and Applicable Laws.

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§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents and Applicable Laws either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

## § 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

(Paragraph deleted)

§ 3.2.1 The Contractor hereby specifically acknowledges and declares, based on the Standard of Care (defined below) that the Drawings, the Specifications, and all Addenda, are sufficient to enable the Contractor to construct the Work outlined therein and in accordance with Applicable Laws and otherwise fulfill its obligations hereunder. The Contractor represents that it has carefully examined all Contract Documents and acknowledges that the Contractor shall not be entitled to an extension of the Contract Time or an adjustment in the Contract Sum to the extent the Contract Documents contain inconsistencies, discrepancies or omissions of which the Contractor had knowledge, or which the Contractor should have had knowledge, based on the standard of care expected of national contractors performing pharmaceutical manufacturing and laboratory construction and involved in negotiations prior to construction but not performing full preconstruction services (the "Standard of Care"). The Contractor represents and warrants that the Contractor has examined the Site and is familiar with the conditions under which the Work is to be performed, including without limitation, the location, condition, layout and nature of the Site and surrounding areas, generally prevailing climactic conditions, anticipated labor supply and costs, availability and cost of materials, tools and equipment, restrictions set forth in the Contract Documents and other similar matters. The Owner acknowledges that the services to be provided by the Contractor shall not impose on the Contractor professional responsibilities, duties, services and activities for which the Owner has contracted with the Architect, nor shall the Contractor incur any liability for non-performance of such services by the Architect. The foregoing shall not relieve the Contractor from its obligations under the Contract Documents with respect to performance specifications.

§ 3.2.2 Any design errors or omissions noted by the Contractor shall be reported promptly to the Architect and the Owner, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and in accordance with the Standard of Care and not as a licensed design professional unless otherwise specifically provided in the Contract Documents. The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations, but any nonconformity discovered by or made known to the Contractor shall be reported promptly to the Architect and the Owner.

§ 3.2.3 If the Contractor believes that it is entitled under the terms of the Contract Documents to an adjustment in the Contract Sum or Contract Time because of clarifications or instructions issued by the Architect in response to the Contractor's notices or requests for information pursuant to Sections 3.2.1 and 3.2.2, the Contractor shall make Claims as provided in Sections 4.3.6 and 4.3.7. If the Contractor fails to perform the obligations of Sections 3.2.1 and 3.2.2, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. The Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents or for differences between field measurements or conditions and the Contract Documents unless the Contractor recognized (or should have recognized based on the Standard of Care) such error, inconsistency, omission or difference and failed to report it to the Architect.

## § 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any resulting loss or damage. The Contractor shall be responsible for and shall supervise, coordinate and direct the Work of all Subcontractors and Sub-subcontractors. The Contractor shall be solely responsible for laying out the Work.

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§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors. For purposes of these General Conditions, "Subcontractors" shall mean all entities, including but not limited to materialmen, suppliers and vendors, having a contract with the Contractor or an entity who has a contract with the Contractor. The Contractor shall not be responsible for the work of separate contractors, except as provided in Article 6 below.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

### § 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work. Should the progress or conditions of the Work require work to be performed after regular hours, or should the Contractor elect to perform Work after regular working hours, in the absence of an acceleration of Contractor's schedule specifically directed by Owner, the additional cost of performing such Work shall not cause an increase to the Contract Sum.

§ 3.4.2 The Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 3.4.4 The Owner and the Architect, as the Owner may direct, will consider a formal request directed to the Architect for the substitution of products in place of those specified. Such request will only be considered pursuant to the conditions set forth in the Specifications. Upon the Architect's review and recommendation, these substitutions will be submitted to the Owner for its written approval.

§ 3.4.4.1 No request for substitution for materials or equipment that has been specified or described in the Drawings or Specifications by using the name of a proprietary item or the name of a particular manufacturer, fabricator, supplier or distributor may be made by the Contractor, unless the proposed substitute for the named item is of like or better type, function, quality and design as the named item. The procedure for review of substitutions by the Architect and the Owner will be as set forth below.

§ 3.4.4.2 Materials and equipment specified by name or names of one or more manufacturers shall be used to establish the Contract Sum.

§ 3.4.4.3 The Contractor may offer as substitutions, materials and items of equipment of manufacturers other than those specified by submitting an itemized cost breakdown of the impact of such substitutions on the project cost and schedule. Proposed substitutions must be accompanied by full descriptive and technical data.

§ 3.4.4.4. Requests for review of substitute items of materials and equipment will not be accepted by the Architect or the Owner from anyone other than the Contractor. If the Contractor wishes to furnish or use a substitute item of material or equipment, for its convenience and not as a value engineering or other suggestion or recommendation, the Contractor shall make written application to the Architect and the Owner for acceptance thereof, certifying that the proposed substitute will perform adequately the functions called for by the specified design, be similar and of equal substance to that specified and be suited to the same use capable of performing the same function as that specified. The application will state whether or not acceptance of the substitute for use in the Work will require a change in the Contract Documents to adapt the design to the substitute and whether or not incorporation or use of the substitute in connection with the Work is subject to payment of any license fee or royalty. All variations of the proposed substitute from that specified shall be identified in the application and available maintenance, repair and replacement service will be included. The application will also contain an itemized statement of the cost and schedule impact that will result directly or indirectly from acceptance of such substitute, including costs of redesign

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and claims of the other Contractors and Subcontractors affected by the resulting change, all of which shall be considered by the Architect and the Owner in evaluating the proposed substitute. The Architect and the Owner may require the Contractor to furnish, at the Contractor's expense, additional data about the proposed substitute. The Owner and the Architect will be the sole judges of acceptability, and no substitute will be ordered or installed without the Owner's prior written acceptance. The Owner may require the Contractor to furnish, at the Contractor's expense, a special performance guarantee or other surety with respect to any substitute. By making requests for substitutions based on Subparagraph 3.4.4 above, the Contractor:

- a) represents that it or its Subcontractor(s) has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified;
- b) represents that it will provide the same warranty for the substitution as the original product specified;
- c) certifies that the cost and schedule data presented is complete and includes all related costs and schedule adjustments under the Contract Documents, but excludes costs under separate contracts, and excludes the Architect's or Engineer's redesign costs, and waives all claims for additional costs and schedule adjustments related to the substitution which subsequently become apparent; and
- d) agrees to coordinate the installation of the accepted substitute making such changes as may be required for the Work to be complete in all respects.

**§ 3.4.4.5.** All of the Architect's redesign costs incurred by reason of an approved substitution shall be deducted from the Contract Sum and paid by the Owner to the Architect. Value engineering credits against the Contract Sum shall be net of additional Architect's fees and costs in connection therewith.

**§ 3.4.4.6** Copies of Material Safety Data Sheets (MSDS) for all applicable products shall be kept on site and current in accordance with OSHA regulations and will be provided to the Owner as part of the operation and maintenance manuals

**§ 3.4.5** With respect to value engineering suggestions made or evaluated by the Contractor, the Owner acknowledges that the Contractor is not acting in the capacity of a design professional. Notwithstanding anything contained in the Contract to the contrary, any recommended solutions proposed by the Contractor to value engineering discussions or RFIs are merely suggestions for the Owner and the Architect to consider. By accepting such suggestions, the Owner accepts full responsibility for the impact of such suggestions on the Project and will cause the Architect to perform such redesign as necessary to incorporate such suggestions into the Contract Documents.

**§ 3.4.6** Prior to the execution of the Agreement, and prior to commencement of the Work, Contractor shall provide the Owner and Architect, as the Owner may direct, with a list of the names of the proprietary or selected manufacturers providing products under each section of the Specifications, and the names of the installing Subcontractors where applicable. The Owner will reply in writing within ten (10) working days to the Contractor stating whether the Owner or the Architect, after due investigation, has reasonable objection to any such proposal. If the names of any proposed manufacturer or installer is not available, the Architect may state that action on missing items will be deferred until the Contractor provides the missing names. Failure to object to a manufacturer shall not constitute a waiver of any of the requirements of the Contract Documents, and all products furnished by the listed manufacturer must conform to such requirements.

### **§ 3.5 WARRANTY**

**§ 3.5.1** The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform to the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

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§ 3.5.2 The Contractor agrees to assign to the Owner at the time of Substantial Completion of the Work any and all manufacturer's warranties relating to materials and labor used in the Work. In connection therewith, the Contractor further agrees to perform the Work in such manner consistent with and so as to preserve any and all manufacturers warranties. All manufacturer's warranties shall be endorsed to provide that the warranty shall recommence and be reinstated in full in connection with, and on completion of, any corrective work required in connection with any item covered by such warranty; provided, however, that the total warranty period shall not extend beyond the original warranty period plus six (6) months. Such corrective work shall be completed in accordance with the requirements of any and all applicable manufacturers' warranties.

### § 3.6 TAXES

§ 3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor. To the extent the Contractor is required to pay sales, consumer, use and similar taxes (other than taxes on the income of the Contractor or its Subcontractors) that were not legally enacted as of the date of the Agreement (whether or not yet effective or merely scheduled to go into effect), the Contractor shall be entitled to an increase in the Contract Sum equal to the amount of such additional taxes (without markup for overhead or profit).

### § 3.7 PERMITS, FEES AND NOTICES

§ 3.7.1 The Contractor shall give notices required by Applicable Laws.

(Paragraph deleted)

(Paragraph deleted)

§ 3.7.2 It is not the Contractor's responsibility to ascertain that the Contract Documents are in accordance with Applicable Laws. However, if the Contractor observes that portions of the Contract Documents are at variance therewith, the Contractor shall promptly notify the Architect and Owner in writing, and necessary changes shall be accomplished by appropriate Modification.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to Applicable Laws (or which it should have known was contrary to Applicable Laws based on the Standard of Care) without such notice to the Architect and Owner, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction. Additionally, the Owner has furnished to the Contractor information as to the applicable zoning, set back or other locational requirements applicable to the Work (as set forth in the Exhibits to the Agreement), and the Contractor shall not violate such requirements during the performance of the Work. The Contractor shall advise the Owner and the Architect of any changes in Applicable Laws of which it becomes aware.

### § 3.8 ALLOWANCES

(Paragraph deleted)

§ 3.8.1 The Contractor has included in the Contract Sum the allowances set forth on Exhibit D.

§ 3.8.2 Unless otherwise provided in the Contract Documents:

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the Site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the Site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances;
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) the Contractor shall not receive an adjustment to profit or overhead on account of increases or decreases in the amount of allowances.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work. The Contractor shall not commence any Work involving allowances (i) until the Owner is furnished with all pricing data requested, and (ii) when authorized by the Owner in writing.

### § 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent Project Manager, superintendent and necessary assistants who shall be in attendance at the Project Site during performance of the Work. The Project Manager shall represent the Contractor, and communications given to the Project Manager shall be as binding as if given to the Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

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### § 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

(Paragraph deleted)

**§ 3.10.1** The Project Schedule is attached to the Agreement as Exhibit I. The Project Schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. No revision of the Project Schedule shall be effective unless agreed to in writing by the Owner and the Contractor. The Project Schedule shall be updated monthly and included with the Contractor's Application for Payment for review and approval by the Owner. If the Project Schedule is not updated monthly, the Owner, in its sole discretion, may delay payment of Contractor's Application for Payment until a revised Project Schedule is provided. The Project Schedule shall contain the dates that are critical in ensuring the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents. The date of Substantial Completion of the Work shown on the Project Schedule shall not be exceeded, except to the extent said date may be extended pursuant to the provisions of the Contract Documents. In addition to the Project Schedule updates described herein, the Owner may also may require the Contractor to provide throughout the course of the Project two-week "look ahead" schedules in detail which is reasonably acceptable to the Owner.

**§ 3.10.2** The Contractor shall prepare and keep current, for the Architect's and Owner's approval, a schedule of submittals which is coordinated with the Project Schedule. Where a particular submittal is not set forth on the submittal schedule, the Architect shall have 14 days after receipt to review such submittal.

**§ 3.10.3** The Contractor shall perform the Work in accordance with the most recent Project Schedule approved in writing by the Owner and the Contractor.

**§ 3.10.4** If the Owner determines through reasonable evidence that the critical path of the Work is behind schedule, the Owner shall have the right, but not the obligation, to order the Contractor to take corrective measures necessary to expedite the progress of construction, including, without limitation, (i) working additional shifts or overtime, (ii) supplying additional manpower, equipment and/or facilities, or (iii) other similar measures (collectively "Extraordinary Measures"). The determination of whether the progress of the Work is behind schedule shall take into account any extensions of time to which the Contractor is entitled under Section 8.3.1 below. In no event shall the Owner have control over, charge of, or any responsibility for construction means, methods, techniques, sequences or procedures or for safety precautions and programs in connection with the Work. The Contractor shall not be entitled to an adjustment in the Contract Sum in connection with Extraordinary Measures, except to the extent they are required due to no fault of the Contractor, in which case Extraordinary Measures shall be reimbursed pursuant to Change Order.

**§ 3.10.5** The Contractor shall prepare a monthly summary report in a form and of sufficient detail and character as approved by the Owner. The report shall specify whether the Project is on schedule and, if not, the reason therefor and the steps to be undertaken to bring the Project back to the original schedule.

**.1** The Contractor shall also prepare a report not later than thirty (30) calendar days after the Contract is awarded which shall include a complete list of suppliers, items to be purchased from the suppliers or fabricators to be permanently incorporated into the Work, time required for fabrication and the scheduled delivery dates for each item. As soon as available, copies of purchase orders shall be furnished to the Owner.

**.2** If requested by the Owner, the Contractor shall prepare a weekly report in a form and of sufficient detail and character as approved by the Owner. Accompanying the report shall be an updated current project schedule, the updated report herein above described, a listing and status of all change requests, bulletins, modifications, etc.

**.3** The Contractor shall prepare such additional reports as any lender for the Project may reasonably request. The Contractor shall hold weekly progress meetings at the job site, or at such other time and frequency as are acceptable to the Owner. Progress of the Work shall be reported in detail with reference to construction schedules. Each interested Subcontractor shall have present a competent representative to report on the status and condition of its work and to receive information.

**.4** Contractor shall prepare and submit a CPM Arrow Diagram Network schedule to the Owner within thirty (30) calendar days of the award of the Contract. The CPM schedule shall contain starting and completion dates for all phases of the Work including, but not limited to, major work items by floor level, shop

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drawing submittal and approval dates, roughing-in dates, and equipment and material delivery dates. The schedule shall be reviewed at the weekly construction meetings to be held at the job site. Notwithstanding the foregoing, Owner reserves the right to require Contractor to update the schedule as often as the Owner deems reasonably necessary. A copy of the schedule shall be maintained at all times on the job site, and revised and updated copies shall be provided to the Owner, if required. The progress schedule and revisions thereof prepared by the Contractor shall be furnished to the Owner and the Architect for informational purposes only. Any revisions to the schedule shall be accompanied by a written explanation of the reasons for such revisions. Failure of the Contractor to deliver an initial schedule within the time specified above or to deliver timely updates of such schedule upon request by Owner, as provided for above, may be grounds for the Owner to withhold progress payments for the Work completed until such time as the schedules are delivered to the Owner.

**§ 3.10.6** In the implementation of the Critical Path Method (CPM) of scheduling, the following conditions and interpretations shall apply:

**.1** The schedule shall contain a level of detail and identification of individual trades acceptable to Owner and shall include milestones agreed to by Owner and Contractor (individually, a “Milestone” and collectively “Milestones”).

**.2** If, subsequent to the approval of the initial detailed construction schedule, Contractor desires to change its plan of construction, it shall submit the requested revisions to the Owner for approval.

**.3** When the Owner orders changes to the Contract which have the potential to impact the substantial completion date, a schedule will be prepared by the Contractor and provided to the Owner for approval. Change order logic will affect only those activities and performance dates directly concerned with such changes. Adjustments in the scheduled substantial completion date proposed by Contractor due to changes in the Work will be considered only to the extent that such changes impact actual completion as indicated in the latest edition of the schedule prior to such change being proposed.

**.4** Any change to the approved detailed construction schedule and completion date must be approved in writing by the Owner. All requests for adjustment to the completion date due to changes must accompany the change proposal.

**.5** If the detailed construction schedule demonstrates, in the Owner’s reasonable opinion, that the Contractor is anticipated to miss a scheduled Milestone by more than fourteen (14) days due to events within the Contractor’s control, Contractor shall accelerate the Work at the Owner’s direction until such time as it is apparent, in the Owner’s opinion that the next Milestone will be achieved in accordance with the schedule.

**.6** Float or slack time is defined as the amount of time between the earliest start date and the latest start date or between the earliest finish date and the latest finish date of a chain of activities in the network analysis. Float or slack time shall be available to the Contractor for its use, subject to the further provisions of this section. The Contractor acknowledges and agrees that actual delays affecting paths of activities will not entitle the Contractor to a time extension unless the Contractor demonstrates that such delays adversely impact the critical path of the Work. Notwithstanding the foregoing, the Contractor waives the right to assert a Claim against the Owner in the event that the Contractor is unable to achieve Substantial Completion of the Work before the scheduled date of Substantial Completion, regardless of the reason for the Contractor’s failure, including, but not limited to, acts or omissions of the Owner or those within its control.

**§ 3.10.7** The Owner may engage a consultant to prepare and update, on a monthly basis, a schedule and cost monitoring procedure for its own purposes. The Contractor shall cooperate with the Owner’s consultants in providing additional data and information necessary for updating the Owner’s schedule and cost monitoring system on a monthly basis or as may be required by the condition of the Work.

**§ 3.10.8** In the event that the Contractor or any of its Subcontractors on their own initiative accelerates or otherwise changes the sequence or duration of any of the construction activities from such sequences or durations as indicated on the Construction Schedule established at the commencement of the Work, the Owner, unless agreed in writing otherwise, will not be liable for any claims for any direct costs, delay costs or extension of time or any other costs which may result from such actions by the Contractor or its Subcontractors. Any acceleration of the Work in part or

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in total for which the Contractor requires a change in any of the conditions of this Contract will not be given consideration by the Owner without the Owner's prior specific approval in writing of such acceleration.

### **§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE**

**§ 3.11.1** The Contractor shall maintain at the Site for the Owner one complete record copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order, legible and marked currently to record field changes, revisions and additions thereto approved by the Architect and selections made during construction ("Redline Record Drawings"), and one record copy of approved Shop Drawings, Product Data, Samples and similar required submittals. Redline Record Drawings shall include all architectural and structural changes; plumbing, heating, ventilating, air conditioning, and electrical work changes; and changes to grades, utilities and all other Work as well as Work required by Change Orders. If any Work is performed otherwise than as shown in such final Drawings or such changes, revisions or additions, the Contractor shall clearly define on such Drawings the Work as so installed. These shall be available to the Owner and the Architect and shall be delivered to the Owner as a condition to final completion of the Work.

### **§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES**

**§ 3.12.1** Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

**§ 3.12.2** Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

**§ 3.12.3** Samples are physical examples which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

**§ 3.12.4** Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Contract Documents the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals which are not required by the Contract Documents may be returned by the Architect without action. All shop drawings shall (i) comply with performance specifications and other criteria established by the Contract Documents; (ii) comply with all Applicable Laws; and (iii) permit the Work, when completed, to perform as indicated by the Contract Documents. Shop drawings shall be modified at no cost to the Owner as necessary to obtain any permits or approvals and as required to comply with any requirement of the Contract Documents.

**§ 3.12.5** The Contractor shall review for compliance with the Contract Documents, approve and submit in writing to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the approved submittal schedule, and otherwise with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. Submittals which are not marked as reviewed for compliance with the Contract Documents and approved by the Contractor may be returned by the Architect without action.

**§ 3.12.6** By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

**§ 3.12.7** The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

**§ 3.12.8** The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect

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and the Owner in writing of such deviation at the time of submittal and (1) the Architect and the Owner have given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

**§ 3.12.9** The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice the Architect's approval of a resubmission shall not apply to such revisions.

**§ 3.12.10** The Contractor shall not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of Applicable Laws. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

**§ 3.12.11** The Contractor shall not be relieved of responsibility for any deviation from the requirements of the Contract Documents by the Architect's review and/or approval of Shop Drawings, Product Data or samples unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submission and the Architect has indicated in writing as to the review and/or approval of such Shop Drawings, Product Data or samples relevant to the specific deviation. The Contractor shall not be relieved from responsibility for errors or omissions in the Shop Drawings, Product Data or samples by the Architect's review and/or approval thereof.

**§ 3.12.12** Shop drawings and other submittals shall be submitted for approval to the Architect with one copy to the Owner.

**§ 3.12.13** The Contractor shall assemble for the Architect's approval and transmittal to the Owner three (3) complete copies in loose leaf binders of all operating and maintenance data from all manufacturers whose equipment is installed in the Work. The Contractor shall also prepare a check list of schedules showing the type of lubricant to be used at each point of application, and the intervals between lubrication for each item of equipment.

### **§ 3.13 USE OF SITE**

**§ 3.13.1** The Contractor shall confine operations at the Site to areas permitted by Applicable Laws, permits and the Contract Documents and shall not unreasonably encumber the Site with materials or equipment.

**§ 3.13.2** Only the materials and equipment which are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor. Materials or equipment no longer required for the Work shall be promptly removed from the Project site. Protection of construction materials and equipment stored at the Project site from weather, theft, damage or all other adversity is solely the responsibility of the Contractor.

### **§ 3.14 CUTTING AND PATCHING**

**§ 3.14.1** The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

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**§ 3.14.2** The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

**§ 3.14.3** The Contractor shall not cut or alter any completed or installed portion of the Work without the prior written approval of the Owner. Any request by the Contractor for such approval shall be in the form of a submission of Shop Drawings. The submission shall show the nature and extent of the cutting or alteration to be performed and the method of restoration of the cut or altered work so that the finished Work will comply in all respects with the Contract Documents. Such submission shall be accompanied by sufficient information to enable the Architect to determine if the proposed cutting or alteration (a) is necessary, (b) will not adversely affect the structural integrity or moisture resistance or watertight integrity of any element of the Project, (c) will not require modification of the Contract Documents or change in other items of the Work, (d) will not result in a cost disadvantage to the Owner, (e) will be protected by guarantees and warranties at least as stringent as those required in the Contract Documents for the Work affected and (f) will be in conformity with the intent of the Contract Documents.

### **§ 3.15 CLEANING UP**

**§ 3.15.1** The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials.

**§ 3.15.2** If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the cost thereof shall be charged to the Contractor.

**§ 3.15.3** The Contractor shall be responsible for replacing any damaged or broken glass at completion of the Work. After broken glass has been replaced, the Contractor shall remove all labels and wash and polish both sides of all glass.

### **§ 3.16 ACCESS TO WORK**

**§ 3.16.1** The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

### **§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS**

**§ 3.17.1** The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect and the Owner.

### **§ 3.18 INDEMNIFICATION**

(Paragraph deleted)

**§ 3.18.1** Contractor hereby agrees, to the fullest extent permitted by law, to defend, with counsel reasonably acceptable to Owner (except to the extent the Owner or Contractor is not given the opportunity to review counsel by the insurance company assuming such defense), indemnify and hold harmless Owner, the Architect, the Owner's Lender, and their respective owners, partners, members, managers, shareholders, affiliates, officers, directors, employees, trustees, agents, successors and assigns (each, an "Owner Indemnitee" and collectively, "Owner Indemnities") from and against any and all claims, damages, liabilities, losses, costs, expenses, proceedings (including any brought in or before any court, administrative body, arbitration panel or other tribunal), fines, penalties and expenses (including attorneys' fees and disbursements), causes of action or the like (including claims relating to bodily injury (including mental injury or death), personal injury (including violation of civil rights, defamation, wrongful arrest and invasion of privacy), property damage (including loss of use or value) or theft, or damage to the environment, in each case in any way deriving from a claim made by a third

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party (including any governmental or quasi-governmental party) against any Owner Indemnitee arising from or out of, or in connection with, or relating to (or alleged to arise from or out of, or in connection with, or to relate to) directly or indirectly, in whole or in part (i) the negligent acts or omissions of Contractor, its agents, subcontractors or suppliers or their respective owners, partners, members, managers, shareholders, affiliates, officers, directors, employees, trustees or agents (each, a "Contractor Party" and collectively, "Contractor Parties") (ii) the Work, or any other work in or around the Site, except to the extent caused by or contributed to by such Owner Indemnitee, (iii) the breach of any covenant to be performed by Contractor hereunder (and, without limiting the foregoing, Contractor shall be liable to the Owner Indemnitees for any costs and expenses, including attorneys' fees and expenses, incurred by any Owner Indemnitee in the enforcement of its rights under this Agreement, including a demand for indemnification hereunder) and (iv) a misrepresentation made by Contractor hereunder. This indemnity shall survive the expiration or termination of the Contract. The waiver of consequential damages set forth in Section 4.3.10 shall not apply to the indemnification obligations of the Contractor hereunder.

§ 3.18.2 The Contractor intends that the Owner Indemnitees (other than Owner) shall be third-party beneficiaries of this Agreement.

§ 3.18.3 The obligations of the Contractor under this Section 3.18 shall not extend to the liability of the Architect the Architect's consultants and agents and employees of any of them arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, construction change directives, designs or specifications, or (2) the giving of or failure to give directions or instructions by the Architect, the Architect's consultants and agents and employees of any of them, to the extent such giving or failure to give is the cause of the injury or damage.

### § 3.19 CONTRACTOR'S WORK FORCE

§ 3.19.1 The Contractor shall maintain on the Project at all times a sufficient work force to carry out its obligations in full in an efficient and timely manner. The Contractor shall employ only competent, skilled workmen who will work in harmony with other workmen.

§ 3.19.2 The Contractor shall not employ any labor or allocate any portions of the Work to any trade if such employment or allocation is expected to cause strikes, work stoppages, delays, suspension of the Work or other interference with the smooth progress of the Work.

§ 3.19.3 If the Work is to be performed by trade unions, the Contractor shall reconcile, without delay, damage or cost to the Owner and without recourse to the Owner, any conflict between the Contract Documents and any agreements or regulations of any kind at any time in force among members or councils which regulate or distinguish what activities shall not be included in the work of any particular trade.

§ 3.19.4 In case the progress of the Work is affected by any undue delay in furnishing or installing any items or materials or equipment required under the Contract Documents because of such conflict involving any such labor agreement or regulations, the Owner may require that other material or equipment of equal kind and quality be provided pursuant to a Change Order or Construction Change Directive.

### § 3.20 ACCESS TO THE WORK

§ 3.20.1 The Owner and the Architect shall at all times have access to the Work wherever it is being carried out for review of the Work as well as marketing activities of the Owner. The Contractor shall provide reasonable accommodations and safe facilities for such access and for observation at the Project site, at the place of manufacture or elsewhere.

### § 3.21 SIGNS

§ 3.21.1 No sign, sign trademark or other advertisement shall be displayed on or about the Project site without the prior written consent of the Owner, which shall be withheld, conditioned or delayed in the sole discretion of the Owner. If Owner consents to the hanging of any signs at the Project, Owner will designate an appropriate area for such signs. Notwithstanding the foregoing, under no circumstances will Contractor or any of its Subcontractors be permitted to hang or erect a sign on the building structure. At Owner's sole direction and discretion, Contractor and/or its Subcontractors shall remove any signs from the Project.

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### **§ 3.22 CONTRACTOR'S EXAMINATION OF SITE**

**§ 3.22.1** By executing their respective contracts, the Contractor and Subcontractors each represent that they have visited the Site, have made due allowance for reasonably apparent difficulties to be encountered, have compared Drawings and Specifications with existing conditions, and have informed themselves of all existing conditions, including work by others, if any, being performed.

**§ 3.22.2** Failure to visit the site shall in no way relieve the Contractor or a Subcontractor from furnishing materials or equipment or performing work that may be required to complete the Work in accordance with Contract Documents without additional cost to Owner.

### **§ 3.23 SURVEYS, LINES AND LEVELS**

(Paragraph deleted)

**§ 3.23.1** Contractor shall establish all lines, grades, benchmarks and other information required for all of the Work executed under the Contract Documents. All grades shown on Drawings are believed to be correct but the Contractor shall verify them at the site and notify the Architect in writing of any discrepancies found before proceeding with the Work; Contractor shall check the drawings against such established lines and grades and notify the Architect in writing of any discrepancies found.

## **ARTICLE 4 ADMINISTRATION OF THE CONTRACT**

### **§ 4.1 ARCHITECT**

**§ 4.1.1** The Architect is the person lawfully licensed to practice architecture or an entity lawfully practicing architecture identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Architect" means the Architect or the Architect's authorized representative.

**§ 4.1.2** Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner and Architect. Consent shall not be unreasonably withheld.

**§ 4.1.3** If the employment of the Architect is terminated, the Owner shall employ a new Architect whose status under the Contract Documents shall be that of the former Architect.

### **§ 4.2 ARCHITECT'S ADMINISTRATION OF THE CONTRACT**

**§ 4.2.1** The Architect will provide administration of the Contract as described in the Contract Documents, and will be an Owner's representative (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the periods for correction of Work described in Section 12.2. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified in writing in accordance with other provisions of the Contract. Notwithstanding the foregoing, the Owner's representative may provide administration of the Contract in lieu of the Architect, to the extent such administration does not relate to professional design services. The Architect shall not exceed the authority vested in it in accordance with the Owner's written instructions.

**§ 4.2.2** The Architect, as a representative of the Owner, will visit the Site at intervals appropriate to the stage of the Contractor's operations (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-Site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

**§ 4.2.3** The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

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§ 4.2.4 Communications Facilitating Contract Administration. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and, upon the Owner's request, may certify the amounts due the Contractor and may, at the Owner's request, issue Certificates for Payment in such amounts. Such certifications shall be advisory only and shall not be binding on the Owner.

§ 4.2.6 The Architect will have authority to recommend to the Owner the rejection of Work that does not conform to the Contract Documents, and the cost for the repair or replacement of such Work shall be the sole responsibility of the Contractor. Whenever the Architect considers it necessary or advisable, the Architect may recommend to the Owner that there be inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, no recommendation by the Architect, nor a decision made in good faith either to make or not make such recommendation shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken (a) in accordance with the submittal schedule agreed to among the Owner, the Architect and the Contractor, or (b) if a submittal is not referred to in the submittal schedule, with such reasonable promptness as to cause no delay in the Work or in the activities of the Owner, Contractor or separate contractors while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will assist the Contractor in the preparation of Change Orders and shall assist the Owner in the preparation of Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4.

§ 4.2.9 The Architect and the Owner will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, and the Architect will receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor, and the Architect will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents, which certificate shall be advisory only and not binding on the Owner.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the Site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect shall, upon the Owner's request, advise the Owner regarding matters concerning performance of the Contractor under and requirements of, the Contract Documents on written request of the Owner. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If no agreement is made concerning the time within which interpretations required of the Architect shall be furnished in compliance with this Section 4.2, then delay shall not be recognized on account of failure by the Architect to furnish such interpretations until 15 days after written request is made for them.

§ 4.2.12 Interpretations and recommendations of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such

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interpretations and recommendations, the Architect will not be liable for results of interpretations or recommendations so rendered in good faith.

#### **§ 4.3 CLAIMS AND DISPUTES**

**§ 4.3.1 Definition.** A Claim is a demand or assertion by the Contractor seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to the terms of the Contract. Claims must be initiated by written notice. The responsibility to substantiate Claims shall rest with the Contractor.

**§ 4.3.2 Time Limits on Claims.** Except to the extent otherwise provided in the Contract Documents, Claims must be initiated within ten (10) days after occurrence of the event giving rise to such Claim or within ten (10) days after the Contractor first recognizes the condition giving rise to the Claim, whichever is later. Claims must be initiated by written notice to the Owner and the Architect.

**§ 4.3.3 Continuing Contract Performance.** Pending final resolution of a Claim except as otherwise agreed in writing or as provided in Section 9.7.1 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments not in dispute in accordance with the Contract Documents.

**§ 4.3.4 Claims for Concealed or Unknown Conditions.** Subject to the provisions of Sections 1.1.8 and 3.22, if conditions are encountered at the Site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than ten (10) days after first observance of the conditions. The Owner will promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend to the Owner an equitable adjustment in the Contract Sum or Contract Time, or both. If the Owner determines that the conditions at the Site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Owner shall so notify the Contractor in writing, stating the reasons. Claims by either party in opposition to such determination must be made within 21 days after the Owner has given notice of the decision. If the conditions encountered are materially different, the Contract Sum and Contract Time shall be equitably adjusted, but if the Owner and Contractor cannot agree on an adjustment in the Contract Sum or Contract Time, the adjustment shall be subject to dispute resolution as provided in Section 4.4 below. If notice of such condition is not given with the ten (10) day period set forth above, any Claim relating thereto shall be waived.

**§ 4.3.5 Claims for Additional Cost.** If the Contractor wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.6. Contractor shall have no claim against the Owner or the Project for additional compensation for services rendered or Work performed outside the scope of this Agreement unless it shall have advised the Owner before rendering such services or performing such Work that such construction is outside the scope of this Agreement and the Owner has authorized such services or Work in writing, in accordance with Article 7. The Owner may also require the approval of the Lender, if any, prior to authorizing Work outside the scope of this Agreement. The Contractor shall have no claim against the Owner or the Project for other relief unless notice of such claim has been given within fifteen (15) days after the date on which such claim arises.

**§ 4.3.6** If the Contractor believes additional cost is involved for reasons including but not limited to (1) a written interpretation from the Architect, (2) an order by the Owner to stop the Work where the Contractor was not at fault, (3) a written order for a minor change in the Work issued by the Architect, (4) failure of payment of undisputed amounts by the Owner, (5) termination of the Contract by the Owner, (6) Owner's suspension or (7) other reasonable grounds, Claim shall be filed in accordance with this Section 4.3.

#### **§ 4.3.7 Claims for Additional Time**

**§ 4.3.7.1** If the Contractor wishes to make Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay only one Claim is necessary. Contractor shall have no claim

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against the Owner or the Project for additional compensation for services rendered or Work performed outside the scope of the Contract Documents unless it shall have advised the Owner in writing before rendering such services or performing such Work that such construction is outside the scope of the Contract Documents and the Owner has authorized such services or Work in writing. The Owner may also require the approval of the Lender, if any, prior to authorizing Work outside the scope of the Contract Documents. The Contractor shall have no claim against the Owner or the Project for other relief unless written notice of such claim has been given within ten (10) days after the date on which such claim arises or such other time period as is specified elsewhere in the Contract Documents. Notwithstanding anything in the Contract Documents to the contrary, an extension of time shall be granted only to the extent the Contractor can demonstrate that the subject matter of the Claim will prevent the Contractor from achieving Substantial Completion of the Work within the Contract Time, as adjusted.

**§ 4.3.7.2** If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction. Notwithstanding the foregoing, the Contractor acknowledges that the scheduled date of Substantial Completion set forth in the Project Schedule anticipates a certain number of lost days due to normal weather conditions. Only unusual or extreme weather conditions for the time of year will be considered as justification for an extension of time to achieve substantial completion of the Work or portions thereof. Extensions of time for weather delay will only be considered if such inclement weather exceeds the average of that recorded by the National Oceanic and Atmospheric Administration for the same month and closest recording location over the preceding ten (10) years.

**§ 4.3.8** Injury or Damage to Person or Property. If either party to the Contract suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding ten (10) days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

**§ 4.3.9** If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

**§ 4.3.10** Claims for Consequential Damages. The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract.. This mutual waiver includes:

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 4.3.10 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents. This waiver shall not apply to the extent any insurance policy required to be obtained and maintained by the Contractor or the Owner includes compensation for consequential damages, but only to the extent such compensation for consequential damages is actually paid by the applicable insurance company.

## **§ 4.4 RESOLUTION OF CLAIMS AND DISPUTES**

(Paragraph deleted)

**§ 4.4.1 MEETING OF SENIOR STAFF.** Within fifteen (15) days after the filing of a Claim by the Contractor, the Owner's and Contractor's senior staff member on Site shall meet to attempt to resolve such claim.

(Paragraph deleted)

**§ 4.4.2 MEDIATION.** If such Claim is not resolved by senior staff within thirty (30) days of the filing of the same, the claim shall be subject to nonbinding mediation at the election of the Owner pursuant to written notice to the Contractor. If the Owner elects nonbinding mediation, the Contractor and the Owner shall select a mutually acceptable mediator, and shall share the cost thereof. If the parties are unable to agree on the selection of a mediator, they shall utilize the American Arbitration Association's mediation services. The mediator shall be given any written statement(s) of the parties and may review the Site and any relevant documentation. The mediator shall

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call a meeting of the parties affected by such Claim within ten (10) business days after his/her appointment, which meeting shall be attended by senior non-Site representatives of the parties with authority to settle such Claim. During such ten (10) day period, the mediator may meet with the affected parties separately. No minutes shall be kept and the comments and/or findings of the mediator, together with any written statements prepared, shall be non-binding, confidential and without prejudice to the rights and remedies of any party. The entire mediation process shall be completed within twenty (20) business days of the date the mediator is selected, unless the parties agree otherwise in writing.

#### **§ 4.4.3 LITIGATION OR ARBITRATION**

(Paragraphs deleted)

**§ 4.4.3.1** Any Claim arising out of or related to the Contract, except those waived as provided for in Sections 4.3.10, 9.10.4 and 9.10.5, shall, if mediation is unsuccessful, be subject to litigation or, at the sole election of the Owner, arbitration. If the Owner does not elect arbitration, such Claim shall be litigate in the appropriate courts of the State of North Carolina.

**§ 4.4.3.2** Any arbitration shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association, and a copy shall be filed with the Architect.

**§ 4.4.3.3** A demand for arbitration shall be made within thirty (30) days after the mediation process is complete, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations.

**§ 4.4.4.4** Any arbitration permitted hereunder may include, by consolidation or joinder or in any other manner, an additional person or entity not a party to this Agreement involved in the dispute to the extent such additional person or entity has consented to such consolidation or joinder pursuant to agreement or specifically with respect to such dispute. The Contractor shall include in its agreements with Subcontractors and others performing Work the joinder or consolidation requirement as aforesaid. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

**§ 4.4.5.5** Claims and Timely Assertion of Claims. The party filing a notice of demand for arbitration or filing a complaint in litigation must assert in the demand all Claims then known to that party on which litigation or arbitration, as applicable, is permitted.

(Paragraphs deleted)

**§ 4.4.6** The award rendered by the arbitrator or arbitrators, if applicable, shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

#### **ARTICLE 5 SUBCONTRACTORS**

##### **§ 5.1 DEFINITIONS**

**§ 5.1.1** A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the Site or supply materials or equipment for the Project. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

**§ 5.1.2** A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the Site or supply materials or equipment for the Project. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

##### **§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK**

**§ 5.2.1** As part of its bid to the Owner, the Contractor has furnished to the Owner the names of persons or bidders (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work.

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§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

(Paragraph deleted)

§ 5.2.3 Upon request of the Owner, Contractor shall make available to the Owner at the Contractor's main office copies of all bids, proposals, or other information concerning the Subcontractors and material suppliers, including financial statements, which may be helpful to the Owner, or any person or entity providing financing on behalf of the Owner, in evaluating any of the Subcontractors proposed to perform any part of the Work. Contractor may also be required to make available to the Owner with respect to the proposed subcontractors and material suppliers such other proof of financial stability and experience, lists of completed projects and letters of reference as may be required by the Owner. Upon request of the Owner, Contractor shall submit for review its forms of subcontract and purchase order. Submission of the foregoing information and review by Owner shall not relieve Contractor from sole responsibility for all subcontractors and suppliers

§ 5.2.4 The Contractor shall not change a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitute. Owner may require the Contractor to change any Subcontractor previously approved and, if at such time the Contractor is not then in default hereunder, the Contract Sum or Contract Time, or both, shall be increased or decreased by the difference in cost and/or time occasioned by such change.

### § 5.3 SUBCONTRACTUAL RELATIONS

§ 5.3.1 By written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. The Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors. The Contractor shall furnish to the Owner copies of all subcontract agreements within ten (10) days of the execution thereof.

§ 5.3.2 Subject to the provisions of Section 3.10.4.1 above, every Subcontract shall:

- .1 require that such Work be performed in accordance with the requirements of the Contract Documents;
- .2 waive all rights the contracting parties may have against one another or that the Subcontractor may have against the Owner for damages caused by fire or other perils covered by the property insurance described in the Contract Documents;
- .3 require the Subcontractor to carry and maintain insurance required by the provisions of Exhibit F to the Agreement, and furnish all information required by the provisions of Exhibit F; and
- .4 require the Subcontractor to furnish the waivers of liens set forth in Exhibit E to the Agreement as well as such other documents as the Owner may reasonably request prior to receiving any payments for Work performed.
- .5 affirmatively state that the Contractor is not entitled to backcharge the Subcontractor for amounts owed to the Contractor on projects other than the Project.

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## **§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS**

**§ 5.4.1** Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner provided that:

- .1 assignment is effective only after termination of the Contract by the Owner pursuant to Section 14 and only for those subcontract agreements which the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

**§ 5.4.2** Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in direct, out-of-pocket cost resulting from the suspension.

## **ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS**

### **§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS**

**§ 6.1.1** The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts ("Separate Contracts") in connection with other portions of the Project or other construction or operations on the Site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Section 4.3.

(Paragraph deleted)

**§ 6.1.2** A "Separate Contractor" is a contractor who enters into a Separate Contract with the Owner.

**§ 6.1.3** The Contractor shall provide for organization, direction and coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Owner will provide to the Contractor, when available, the names of Separate Contractors and their respective schedules.

**§ 6.1.4** Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

### **§ 6.2 MUTUAL RESPONSIBILITY**

**§ 6.2.1** The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

**§ 6.2.2** If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Owner and the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

**§ 6.2.3** The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a Separate Contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a Separate Contractor.

**§ 6.2.4** The Contractor shall promptly remedy damage wrongfully caused by the Contractor to completed or partially completed construction or to property of the Owner or Separate Contractors as provided in Section 10.2.5.

**§ 6.2.5** The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

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### **§ 6.3 OWNER'S RIGHT TO CLEAN UP**

**§ 6.3.1** If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the, after two (2) days written notice, the Owner may clean up and the Owner will allocate the cost among those responsible.

## **ARTICLE 7 CHANGES IN THE WORK**

### **§ 7.1 GENERAL**

**§ 7.1.1** Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents. Unless otherwise agreed to in writing by the Owner, any adjustments to the Contract Time resulting from changes to the Contract Documents shall be agreed upon at the time of approval of each change request unless otherwise noted in the Change Order. Requests for changes to the Contract made by the Contractor will simultaneously include, if applicable, any request for change of the Contract Time to the extent that the delay time is known at the time of the request. If the delay time is not known at the time of the request, the Contractor shall furnish supplemental information as to the delay time within ten (10) days of the date when such information becomes known.

**§ 7.1.2** A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

**§ 7.1.3** Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed in accordance with the dates set forth in the applicable Change Order, Construction Change Directive or order for a minor change in the Work. Notwithstanding anything contained in the Contract Documents to the contrary, a change in the Contract Sum or the Contract Time shall be accomplished only by Change Order or Construction Change Directive.

**§ 7.1.4** No course of conduct or dealing between the parties, no express or implied acceptance of alterations or additions to the Work and no claim that the Owner has been unjustly enriched by any alteration or addition to the Work, whether there is any unjust enrichment, shall be the basis of any claim for adjustment in compensation due the Contractor in connection with the Project or for adjustment in any time period provided for under the Contract. Moreover, the Contractor hereby waives and forfeits all claims that any work, services or other activities were performed pursuant to an oral contract or other oral agreement separate from the Contract.

**§ 7.1.5** Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the Work which is the subject of the Change Order, including, but not limited to, all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and the Project Schedule. The Schedule of Values shall be modified accordingly for Work covered by Change Orders.

**§ 7.1.6** No Change Order or Construction Change Directive shall be effective or binding on the Owner unless it is executed by the Owner.

### **§ 7.2 CHANGE ORDERS**

**§ 7.2.1** A Change Order is a written instrument prepared by the Architect or Contractor, or both and signed by the Owner, the Contractor and Architect, stating their agreement upon all of the following:

- .1 change in the Work;
- .2 the amount of the adjustment, if any, in the Contract Sum; and
- .3 the extent of the adjustment, if any, in the Contract Time.

**§ 7.2.2** In all cases, regardless of the method used to determine the value of changes, the estimated or actual cost shall be submitted in detailed breakdown form, giving quantity and unit costs of each item, labor cost with hourly rates, allowable overhead and profit. No additional amount will be paid for submittal in this form for resubmittal should the breakdown be considered inadequate by the Architect.

**§ 7.2.3** Time being of the essence in the performance of this Contract, any Work which is the subject of a change to this Contract will be proceeded with promptly upon receipt by the Contractor of a written instruction signed by

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the Owner. Proceeding with such Work by the Contractor will not be delayed in the event of dispute between the Owner and the Contractor on the method of evaluating the change or on the amount of any adjustment to the Contract Sum or Contract Time.

§ 7.2.4 If the Contractor believes that it is entitled to additional payment, or to an extension of time, for performing Work ordered to be done, it shall notify the Owner in writing as provided in Article 4 before performing such Work.

### § 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods, at the election of the Owner in its sole discretion:

- .1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 as provided in Section 7.3.6.

§ 7.3.4 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Owner of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.5 A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.6 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the method and the adjustment shall be determined by the Owner on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, plus markups as set forth in Section 6.2 of the Agreement. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.6 shall be limited to the following:

- .1 costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.7 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

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§ 7.3.8 Pending final determination of the total cost of a Construction Change Directive to the Owner, to the extent permitted by the Lender, amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by a Change Order indicating the parties' agreement with part or all of such costs. For any portion of such cost that remains in dispute, the Contractor may file a Claim as provided in Article 4.

§ 7.3.9 When the Owner and Contractor agree in writing to adjustments in the Contract Sum and Contract Time such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ 7.3.10 If the Change in the Work will result in an extension or contraction of the Contract Time or other dates of Substantial Completion, and the parties are unable to agree as to the number of days by which the time for performance will be extended or contracted, then the matter shall be submitted to the Architect for its advisory (i.e., non-binding) recommendation and the Owner's decision, subject to dispute by the Contractor in accordance with the provisions of Article 4.

#### § 7.4 FIELD CHANGES

§ 7.4.1 In order to deal with field conditions, to expedite the progress of the Work, to coordinate the Work among the various trades or otherwise for the mutual convenience of the Owner and the Contractor, the Architect may authorize or direct, by Field Change Order, minor departures from the scope of Work as defined in the Drawings and Specifications that do not result in any change in the Contract Sum, result in extension in the Contract Time, or give rise to any claim by the Contractor against the Owner. If the Contractor believes that a Field Change Order will extend the Contract Time or increase the Contract Sum, it shall notify the Owner in writing before proceeding with the Field Change Order.

#### § 7.5 DETERMINATION OF COST

§ 7.5.1 Other than the markups provided for in the Agreement, the Contractor agrees that it shall not be entitled to any further markup for general conditions or fee on the basis of the number of changes initiated, the aggregate of the changes, or any similar claim. Each change order shall not contain any reservation of rights or residual claims to additional adjustments for time or price being preserved beyond the entitlements actually set forth in the change order.

(Paragraphs deleted)

### ARTICLE 8 TIME

#### § 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the entire Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Owner and the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

#### § 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the Site or elsewhere prior to the effective date of insurance required by Exhibit F to be furnished by the Contractor and Owner, as applicable. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Contract Documents or a notice to proceed given by the Owner, the Contractor shall notify the Owner in writing not less than five days or other agreed period before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

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§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion of the entire Work within the Contract Time and shall achieve Substantial Completion of designated portions of the Work by the dates set forth in the Project Schedule.

### § 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by Force Majeure (hereinafter defined) (collectively, “Excusable Delays”) then the Contract Time shall be extended by Change Order, subject to satisfaction of the conditions set forth in the other provisions of the Contract Documents relating to Claims.

§ 8.3.2 “Force Majeure” is defined as (1) extraordinary conditions of weather for the area and time of year, war or national conflicts or priorities arising therefrom, fires beyond the reasonable control of the Contractor, strikes or other labor disruptions not due to breach of applicable collective bargaining agreements or any other cause beyond Contractor’s reasonable control not the fault of the Owner or those within its control (but not including delays caused by Contractor, Subcontractors or other within Contractor’s control).

§ 8.3.3 Claims relating to time shall be made in accordance with applicable provisions of Section 4.3. In the case of a continuing delay only one Claim is necessary. The Contractor shall immediately take all steps reasonably possible to lessen the adverse impact of any delay.

§ 8.3.4 The Contractor shall not be entitled to any such extension of time for Excusable Delays unless Contractor notifies the Owner in writing within five (5) scheduled work days after discovery of each such Excusable Delay, together with essential supporting data, and thereafter promptly gives written notice of the cessation thereof. The Contractor shall not be entitled to recover from the Owner, and hereby waives, any and all claims against the Owner for, increased compensation or damages that the Contractor may suffer on account of any Excusable Delay, including increased compensation or damages for disruption, interference, acceleration or loss of efficiency or productivity. Notwithstanding the foregoing, (a) the Contractor is entitled to increased compensation due to Excusable Delays due to the act or neglect of the Owner or Architect equal to only the Contractor’s out-of-pocket expenses and incremental General Conditions Costs on account of the Excusable Delay; and (b) the Contractor is entitled to increased compensation due to Excusable Delays due to Force Majeure in excess of the first fifteen (15) days, in the aggregate, equal to only the Contractor’s out-of-pocket expenses and incremental General Conditions Costs on account of the Force Majeure delay, plus other costs, overhead and profit only to the extent paid under the Builder’s Risk insurance policy described in Exhibit F; to the extent such Builder’s Risk insurance policy compensates the Contractor for additional General Conditions Costs for delay, such delay shall not be counted against the fifteen (15) days set forth above. At the Owner’s option, the Contractor shall submit to the Owner a proposal to accelerate the Work to mitigate some or all of the Excusable Delay, which proposal, if accepted in writing, shall become the basis for a Change Order increasing the Contract Sum and increasing the Contract Time only by the amount of delay not mitigated by such acceleration.

§ 8.3.5 The provisions set forth in this Section 8.3 are the Contractor’s sole remedy in the event of Excusable Delay. In the event of concurrent delay, no additional compensation shall be paid.

§ 8.3.6 Claims not made within the time limit set forth above are hereby waived, except to the extent otherwise paid under the Builder’s Risk insurance policy.

§ 8.3.7 TIME IS OF THE ESSENCE OF THIS CONTRACT. Contractor agrees that the Work can be performed in the time agreed to herein. On a best efforts basis, estimating time for proposed Change Orders shall not exceed twenty (20) days from date of receipt of sufficient information and/or drawings with reference to such plans or Change Orders. Revisions to initial proposals are to be prepared with immediacy.

(Paragraph deleted)

## ARTICLE 9 PAYMENTS AND COMPLETION

### § 9.1 CONTRACT SUM

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

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## § 9.2 SCHEDULE OF VALUES

§ 9.2.1 Before the first Application for Payment, the Contractor shall submit to the Owner and Architect a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule, unless objected to by the Owner or Architect, shall be used only as a basis for reviewing the Contractor's Applications for Payment where appropriate under the Contract Documents. The Contractor may adjust the schedule of values from time to time on the basis of modifications of subcontracts and allocations of estimates to actual costs, subject to the written approval of the Owner, not to be unreasonably withheld. The schedule of values and each Application for Payment shall list separately the Contractor's general conditions costs and fee and all Change Orders issued by the Owner prior to the date of the particular Application for Payment (including as a single line item all of the costs of such Change Order). The schedule of values shall be prepared in such a manner that each item of Work and each subcontracted item of Work is shown as a single line item on AIA Documents G702/703, Application and Certificate for Payment, and Continuation Sheet.

## § 9.3 APPLICATIONS FOR PAYMENT

(Paragraph deleted)

§ 9.3.1 Each Application for Payment shall also include an affidavit or affirmation by the Contractor setting forth the following:

- .1 A certification that all work for which payment is requested has been completed in accordance with the Contract Documents.
- .2 The names and addresses of all Subcontractors and materialman.
- .3 The contract amount of each such subcontract, the cost of materials acquired or to be acquired from such materialmen with whom the Contractor has contracted directly, and the amounts paid and owed to each such Subcontractor and materialmen.
- .4 The contract amount of the Contractor's contract with the Owner, including all adjustments.
- .5 The amount paid by the Owner to the Contractor to the date of application.
- .6 The amount of the current application.
- .7 The balance due on the contract amount after such payment is made.
- .8 The amount of money retained by the Owner and the amount of the work that has been completed.

§ 9.3.2 The Contractor will furnish with each Application for Payment evidence in the form of a list of disbursements and release of liens and claims (in the forms attached to the Agreement as Exhibit E) confirming that all amounts included in previous progress payments for which the Contractor has received payment for Work executed by Subcontractors (or for which the Contractor is obligated to pay Subcontractors but is not entitled to reimbursement by the Owner pursuant to the provisions of the Contract Documents) have been paid in full to such Subcontractors or have been withheld for a proper reason. Nothing contained in this provision shall place any additional responsibilities on the Owner or the Architect other than those indicated in other relevant provisions in this Contract.

§ 9.3.3 As provided in Section 7.3.8, such applications may include requests for payment on account of changes in the Work which have been properly authorized by Construction Change Directives, or by interim determinations of the Owner, but not yet included in Change Orders.

§ 9.3.4 Such applications may not include requests for payment for portions of the Work for which the Contractor does not intend to pay to a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.5 Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance in writing by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for

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materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

**§ 9.3.6** The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

**.1** The Contractor further expressly undertakes to defend the Owner Indemnitees, at the Contractor's sole expense, against any actions, lawsuits or proceedings brought against the Owner Indemnitees as a result of liens filed against the Work, the Project site, the site of any of the Work or payments due the Contractor (referred to collectively as "Liens"). The Contractor hereby agrees to indemnify and hold the Owner Indemnitees harmless against any damages, costs, expenses (including, without limitation, reasonable attorneys' fees), losses, claims and liabilities arising out of or in connection with Liens or claims of Lien, unless such Lien is due solely to a failure by the Owner to pay the Contractor amounts not in dispute in accordance with the provisions of the Contract Documents. The Contractor hereby agrees that liens filed on account of amounts which are subject to a good faith dispute between the Owner and the Contractor shall nevertheless be required to be bonded off by the Contractor, but the Owner shall be responsible to pay the cost of bonding off the lien pursuant to Change Order if the ultimate resolution of the dispute results in the Owner being required to pay such disputed amount; otherwise the cost of bonding off the lien shall be reimbursable as Cost of the Work.

**.2** The Contractor shall discharge all such Liens within ten (10) days after written notice by the Owner, and may contest a Lien only if the Contractor furnishes the Owner with security acceptable to the Owner or procures a lien release bond that complies with the requirements of the lien laws of the State of North Carolina and those set forth below in this Clause 9.3.3.2. The Owner shall release any payments withheld due to a Lien or claim of Lien if the Contractor obtains security acceptable to the Owner or a lien release bond which is: (i) issued by a surety acceptable to the Owner, ii) in form and substance satisfactory to the Owner and (iii) in an amount not less than one hundred twenty five percent (125%) of such Lien. By posting a lien release bond or other acceptable security, however, the Contractor shall not be relieved of any responsibilities or obligations under this Section 9.3, including, without limitation, the duty to defend and indemnify the Owner Indemnitees.

**.3** Notwithstanding anything to the contrary in the Contract Documents, if the Contractor fails to post a bond or other security acceptable to the Owner in connection with any Lien or claim of Lien as required by the provisions of this Section, the Owner may, after three (3) business days' written notice to the Contractor, if the Contractor has not bonded or otherwise discharged such Lien within such three (3) business day period, discharge such Lien or Lien claim by payments to the lien claimant or by such other means as the Owner, in the Owner's sole discretion, determines is the most economical or advantageous method of settling the dispute. The Contractor shall promptly reimburse the Owner, upon demand, for any payments so made. In such case, the Contractor shall have no claim against the Owner relating to the appropriateness or propriety of payment so made.

#### **§ 9.4 CERTIFICATES FOR PAYMENT**

**§ 9.4.1** The Architect will, within seven days after receipt of the Contractor's Application for Payment, but only upon the request of the Owner, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1. Such Certificate for Payment is advisory only and not binding on the Owner.

**§ 9.4.2** The issuance of a Certificate for Payment, if issued, will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to

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completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

## **§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION**

(Paragraph deleted)

**§ 9.5.1** The Owner may withhold approval of an Application for Payment to the extent as may be necessary to protect the Owner from loss for which the Contractor is responsible because of:

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or another contractor to the extent not covered by insurance;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
- .7 material failure to carry out the Work in accordance with the Contract Documents; or
- .8 any other material default or breach of the Contractor under the Contract Documents.

If the Owner intends to withhold all or any part of an Application for Payment for one or more of the reasons set forth above, the Owner shall notify the Contractor in writing within ten (10) days after the Application for Payment is submitted of the reasons for withholding.

**§ 9.5.2** When the above reasons for withholding are removed, payment will be made for amounts previously withheld as part of the next Application for Payment. If the Contractor disputes any determination with regard to amounts paid, the Contractor shall nevertheless expeditiously continue to prosecute the Work and the Owner shall continue to make timely payment of amounts not in dispute.

## **§ 9.6 PROGRESS PAYMENTS**

**§ 9.6.1** The Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

(Paragraphs deleted)

**§ 9.6.2** Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

(Paragraphs deleted)

**§ 9.6.3** A progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

(Paragraphs deleted)

**§ 9.6.4** Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors shall be held by the Contractor for those Subcontractors who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

## **§ 9.7 FAILURE OF PAYMENT**

**§ 9.7.1** If the Owner does not pay the Contractor undisputed amounts within thirty (30) days after the date set forth in the Agreement due, then the Contractor may, upon seven (7) additional business days' written notice to the Owner,

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stop the Work until payment of the undisputed amount owing has been received. The cessation of work shall be deemed an Excusable Delay under the provisions of Section 8.3 above.

## **§ 9.8 SUBSTANTIAL COMPLETION**

**§ 9.8.1** Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use all inspections and tests required under the Contract Documents have been completed successfully, all systems and equipment installed by or on behalf of the Contractor are in good working order, a temporary or permanent certificate of occupancy is received, all governmental, quasi-governmental and other approvals required under the Contract Documents and necessary for occupancy are obtained and the Owner has approved the Substantial Completion of the Work. Notwithstanding the foregoing, if there is a delay in achieving Substantial Completion of the Work or portions thereof because the Contractor cannot obtain a certificate of occupancy or other approval due to reasons other than the fault of the Contractor, then Substantial Completion shall be deemed to have occurred for purposes of calculation of liquidated damages and release of retainage.

**§ 9.8.2** When the Contractor considers that the Work, or a designated portion thereof which is acceptable to the Owner, is substantially complete as defined in Subparagraph 9.8.1, the Contractor shall prepare for submission to the Owner and the Architect a list of items to be completed or corrected. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Within ten (10) days of submission of such list, the Owner and Architect will conduct an inspection to determine whether the Work or designated portion thereof is, in fact, substantially complete. When the Owner and the Architect on the basis of an inspection determines that the Work or designated portion thereof is substantially complete, the Architect will then prepare a Certificate of Substantial Completion which shall establish the Date of Substantial Completion, shall state the responsibilities of the Owner and the Contractor for security, maintenance, heat, utilities, damage to the Work and insurance and shall fix the time within which the Contractor shall complete the items listed therein. Warranties required by the Contract Documents shall commence on the Date of Substantial Completion. The Certificate of Substantial Completion shall be submitted to the Owner and the Contractor for their written acceptance of the responsibilities assigned to them in such Certificate. If the Architect and the Owner are required to inspect the Work to determine Substantial Completion more than twice due to the fault or neglect of the Contractor, all costs charged by the Architect and other costs incurred by the Owner on account of additional inspections shall be paid to the Owner by the Contractor or deducted from amounts otherwise due to the Contractor..

**§ 9.8.3** Not more than four (4) weeks after Substantial Completion and before Final Payment, the Contractor shall produce to the Architect (a) a three-ring binder containing manuals for the Work equipment and operating systems as well as all documentation with respect to manufacturer's warranties, and (b) one (1) full set of Record Drawings of the Work.

**§ 9.8.4** Applications for Payment shall not be processed by the Owner until it is satisfied that the as-built drawings are being satisfactorily maintained and updated. The Contractor acknowledges and recognizes the Owner's need to have an accurate set of such drawings available at all times.

## **§ 9.9 PARTIAL OCCUPANCY OR USE**

**§ 9.9.1** The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.4.1.5 and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect

**§ 9.9.2** Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

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§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

#### § 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of written notice that the entire Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect and the Owner will promptly make such inspection and, when they all find the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-Site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Owner and the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied (or shall be paid from the proceeds of final payment), (2) a certificate evidencing that insurance required by the Contract Documents to be maintained by the Contractor and to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that such insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5) other data establishing payment or satisfaction of obligations, including, but not limited to, final waivers and releases of liens from the Contractor and first tier Subcontractors in the forms set forth in Exhibit E (conditioned only on the receipt of final payment), to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a final waiver and release of liens and claims as specified, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the entire Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Owner so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Owner prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 Acceptance of final payment by the Contractor or a Subcontractor shall constitute a waiver of Claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

§ 9.10.5 Application for final payment shall contain the information required in Applications for Payment specified in the Contract Documents and shall include, in addition, the following:

.1 A certification by the Contractor that all Work has been completed in accordance with the Contract Documents.

.2 A certification by the Contractor that he has complied with all of the requirements for final payment reasonably imposed by Owner's Lender, if any (provided that such requirements are provided to the Contractor on or before Substantial Completion of the Work).

.3 A certification by the Contractor that all warranties, guarantees, certificates, operating manuals and other

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documents required by the Contract Documents, including the conformed or as-built construction drawings, have been delivered to the Architect or Owner.

.4 A certification by the Contractor that all Work performed and all materials and equipment furnished by the Contractor are guaranteed against defects in material and workmanship for a period of one year from the date of Substantial Completion of the Work or for such longer period as is provided for in the Contract Documents and specifying that the Contractor will make good any defects in materials, equipment or workmanship which may develop or become apparent during the guarantee period, including, as necessary, the removal and replacement of the Work of the Owner or any other contractor or the repair of damage caused in the Work of the Owner or any other Contractor necessitated thereby.

.5 A certification by the Contractor that the Application for final payment includes a list of all outstanding claims of the Contractor previously made in writing (by description and maximum value) against the Owner arising in connection with the Project.

.6 A certification by the Contractor that the conformed or as-built construction drawings maintained by the Contractor are complete and accurate.

## **§ 9.11 SCHEDULE OF ANTICIPATED PROGRESS PAYMENTS**

(Paragraph deleted)

**§ 9.11.1** Before commencing the Work, the Contractor shall submit to the Owner a schedule of anticipated progress payments which shall be based upon the Project Schedule and Schedule of Values. The Contractor shall revise and update the payment schedule as necessary from time to time to conform it to the Project Schedule as revised and updated.

## **ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY**

### **§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS**

**§ 10.1.1** The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

### **§ 10.2 SAFETY OF PERSONS AND PROPERTY**

**§ 10.2.1** The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the Site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

**§ 10.2.2** The Contractor shall give notices and comply with Applicable Laws bearing on safety of persons or property or their protection from damage, injury or loss.

**§ 10.2.3** The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

**§ 10.2.4** When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

**§ 10.2.5** The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable,

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and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

**§ 10.2.6** The Contractor shall designate a responsible member of the Contractor's organization at the Site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

**§ 10.2.7** The Contractor shall not load or permit any part of the construction or Site to be loaded so as to endanger its safety.

### **§ 10.3 HAZARDOUS MATERIALS**

**§ 10.3.1** "Hazardous Materials" means any substance:

.1 the presence of which requires investigation or remediation under any federal, state or local law, statute, regulation, ordinance, order, or common law; or

.2 which is or becomes defined, at any time during the duration of this Agreement, as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local law, statute, regulation, rule or ordinance or amendments thereto, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA"), as amended, or the Resource, Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 et seq. ("RCRA"), and any comparable North Carolina law; or

.3 which is petroleum, including crude oil or any fraction thereof not otherwise designated as a "hazardous substance" under CERCLA, including without limitation gasoline, diesel fuel or other petroleum hydrocarbons; or

.4 which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated at any time during the duration of this Agreement by any governmental authority or agency or by any instrumentality of the United States, the State of North Carolina, or any political subdivision thereof; or

.5 the presence of which on the Project Site causes or threatens to cause a nuisance upon the Project Site or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Project Site; or

.6 the presence of which on adjacent properties could constitute a trespass by the Design/Builder or the Authority; or

.7 which contains asbestos.

**§ 10.3.2** If any Hazardous Materials, other than those (1) included in the Contractor's scope of Work or (2) brought to the site by the Contractor, are encountered on the Site by the Contractor (collectively, "Owner Hazardous Materials"), the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and the Architect in writing. The Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the Owner Hazardous Materials reported by the Contractor and, in the event such material or substance is found to be Owner Hazardous Materials, to verify that it has been rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of Owner Hazardous Materials or who are to perform the task of removal or safe containment of such Owner Hazardous Materials. When the Owner Hazardous Materials have been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and the Contractor, such agreement not to be unreasonably withheld. Such delay shall be deemed to be Force Majeure, and the Contractor shall be entitled to a time extension and compensation to the extent provided in Section 8.3. If Contractor is directed to perform the remedial work, such remedial work shall be compensated pursuant to the Change Order provisions of the Contract Documents.

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**§ 10.3.3** To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of the existence of Owner Hazardous Materials at the Site if in fact the Owner Hazardous Materials present the risk of bodily injury or death as described in Section 10.3.1 and have not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) and except to the extent such damage, loss or expense is not due to the negligence or willful misconduct of a party seeking indemnity. The Contractor agrees, however, that the Owner's indemnity obligations under this Section 10.3.3 shall be conditional upon the Contractor's full compliance with Subparagraph 10.3.2 above, and in no event shall this indemnity apply where the Contractor contributed to the release, disbursement or unlawful handling of Owner Hazardous Materials

#### **§ 10.4 PHYSICAL CONDITION OF SITE**

(Paragraph deleted)

(Paragraph deleted)

The Owner assumes no responsibility or liability for the physical condition or safety of the Site or any improvements located on the Site, except to the extent a portion of the Site is within the exclusive control of the Owner and not the Contractor and except as otherwise provided in Section 10.3 above. The Contractor shall be solely responsible for providing a safe place for the performance of the Work. The Contractor shall use best efforts to provide for the safety and protection of all persons who may come in contact with the Work within or adjacent to the Site.

#### **§ 10.5 EMERGENCIES**

**§ 10.5.1** In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Section 4.3 and Article 7. The Contractor shall notify the Owner and the Architect of such emergency as promptly as is practicable under the circumstances.

(Paragraph deleted)

#### **§ 10.6 SECURITY OF PROJECT AREA**

**10.6.1** The Contractor shall be responsible for the protection and security of the Work and of its own personnel, materials, supplies and equipment whether on or off the Site. The Owner may provide guards, watchmen or other security for the Project; but the Owner shall be under no obligation to the Contractor to do so and by doing so shall not assume any responsibility to the Contractor.

#### **§ 10.7 SAFETY REQUIREMENTS**

**§ 10.7.1** The Contractor shall comply with all applicable safety requirements of the Owner, all insurance carriers and all governmental agencies having jurisdiction. The Contractor shall provide barriers, barricades, fences, flagmen, fire prevention and other measures and safeguards necessary for the protection of health, safety and property. The Contractor shall maintain the good order and discipline of its employees and other persons under its direction and control or present at the Project site in connection with the Contractor's work, and shall enforce the Owner's regulations with respect to safety, fire prevention and smoking. The use of alcoholic beverages, drugs and other dangerous substances constitute a danger to life, health or property and are strictly prohibited at the Project site. Contractor specifically agrees that he will comply with all of the statutory and regulatory requirements of the Drug Free Workplace Act of 1990.

#### **§ 10.8 OFF-SITE SAFETY MEASURES AND TRAFFIC**

**§ 10.8.1** The Contractor shall provide for the protection of the general public and the buildings, sidewalks and streets adjacent to the Project site and shall cooperate with all authorities having jurisdiction in maintaining the free flow of traffic in the vicinity of the Project site. Where such authorities are legally entitled to reimbursement, the Contractor shall reimburse such authorities for the cost of such traffic control measures, including the cost of policemen, or other traffic control personnel.

(Paragraphs deleted)

#### **§ 10.9 LOSS PREVENTION PROGRAM**

**§ 10.9.1** Contractor shall establish and administer a safety and loss prevention program, including fire prevention, in compliance with the requirements of the Owner, all insurance carriers, and governmental agencies having jurisdiction. The Contractor shall designate a safety and loss prevention supervisor and shall give him responsibility and authority to enforce the program and to coordinate the Contractor's safety program with those of the Owner, all insurance carriers and other contractors.

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## **§ 10.10 REPORT OF ACCIDENTS**

**§ 10.10.1** Contractor shall promptly report to the Owner in writing any accident occurring on or off the Project site that relates to the Work and, in no event, later than twenty-four (24) hours after the Contractor's learning of such accident, and shall, in addition, immediately give notice, by telephone or messenger, of any accident resulting in death or serious personal injury or property damage. Such report shall include all known details of the circumstances, the nature and extent of any injuries or property damage, the names of all witnesses and other persons who may have knowledge of the circumstances of the accident, and such other details as the Owner or the Owner's insurer shall require.

## **§ 10.11 PROTECTION OF WORK IN PROGRESS AND FINISHED WORK**

(Paragraph deleted)

**§ 10.11.1** Contractor shall routinely inspect and protect the Work and property of its Subcontractors, whether finished or unfinished, from damage, injury, or loss arising in connection with operations under the Contract Documents, and shall carry out its operations so as to avoid damage, injury or loss to completed Work and to the work of the Owner and any separate contractor of the Owner, including, but not limited to, the Other Contractor. If the Owner or a separate Contractor has not sufficiently protected the Work the Contractor shall promptly so notify the Owner.

## **ARTICLE 11 INSURANCE AND BONDS**

(Paragraphs deleted)

(Paragraphs deleted)

**§ 11.1** See provisions of Exhibit F with respect to Insurance Requirements.

(Paragraphs deleted)

## **ARTICLE 12 UNCOVERING AND CORRECTION OF WORK**

### **§ 12.1 UNCOVERING OF WORK**

**§ 12.1.1** If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

**§ 12.1.2** If a portion of the Work has been covered which the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs. The foregoing shall apply in like effect to surveys or tests as well as examination of the completed Work. In all cases the cost shall include the cost of professional advice and services necessary to complete the examination, survey and tests.

### **§ 12.2 CORRECTION OF WORK**

#### **§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION**

**§ 12.2.1.1** The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

#### **§ 12.2.2 AFTER SUBSTANTIAL COMPLETION**

**§ 12.2.2.1** In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice within ten (10) days after discovery of the condition. During the one year period for correction of Work, if the Owner fails to notify the Contractor within such ten (10) day period and give the Contractor an opportunity to make the correction, the Owner waives the right to require correction by the Contractor, but such waiver shall in no way operate to void or impair the warranties given by the Contractor under the Contract Documents, and the Owner shall have no liability to the Contractor for damages in delay of notification. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4. The obligations under this Section shall also include any repairs and/or replacement to



any part of the Work and any other real and personal property which is damaged in the process of correcting any defective Work. The Contractor shall not be responsible to the extent repairs performed by others do not conform to the requirements of the Contract Documents or applicable warranties furnished by manufacturers.

**§ 12.2.2.2** The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

**§ 12.2.2.3** The one-year period for correction of Work shall be extended by corrective Work performed by the Contractor pursuant to this Section 12.2 for an additional six month period from the date of completion of such corrective Work.

**§ 12.2.3** The Contractor shall remove from the Site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

**§ 12.2.4** The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or Separate Contractors caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

**§ 12.2.5** Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the periods for correction of Work as described herein relate only to the specific obligation of the Contractor to correct the Work, and have no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

### **§ 12.3 ACCEPTANCE OF NONCONFORMING WORK**

**§ 12.3.1** If the Owner prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

## **ARTICLE 13 MISCELLANEOUS PROVISIONS**

### **§ 13.1 GOVERNING LAW**

**§ 13.1.1** The Contract shall be governed by the law of the State of North Carolina without reference to the rules governing choice of law.

(Paragraphs deleted)

### **§ 13.2 RIGHTS AND REMEDIES**

**§ 13.2.1** Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

**§ 13.2.2** No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

### **§ 13.3 TESTS AND INSPECTIONS**

**§ 13.3.1** If the Contract Documents or Applicable Laws require any portions of the Work to be inspected, tested or approved, unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Owner and Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections or approvals which do not become requirements until after bids are received or negotiations concluded.

**§ 13.3.2** If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written

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authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Owner and the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.3.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Owner's and Architect's services and expenses shall be at the Contractor's expense.

§ 13.3.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.3.5 If the Architect or the Owner wish to observe tests, inspections or approvals required by the Contract Documents, the Contractor shall give reasonable prior notice to the Architect and the Owner of the dates, places and times of such tests. .

§ 13.3.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.3.7 If, after the commencement of the Work, the Architect determines that any of the work requires special observation, testing or approval which Section 13.5.1 does not include, it may, upon written authorization from the Owner, in lieu of the procedure specified in Section 13.5.2, secure the services of an independent testing agency to perform such tests, inspections and approvals. The Contractor shall make all arrangements, furnish all samples and materials, and deliver the samples and materials to the testing agency. Reports of such tests, observations and approvals shall be submitted to the Architect. The Contractor or the Owner shall bear the costs of such tests, as provided above.

§ 13.3.8 All observations, tests and approvals of any methods or means of construction, materials or workmanship included in the Work required by the Specifications or by Applicable Laws shall be performed at such times as the Owner shall approve by independent agencies selected by the Owner. Representatives of the testing laboratories and observers shall have access to the Work at all times. The Contractor shall furnish samples of all materials and component parts of the Work required as test specimens in connection with the tests and observations and shall furnish labor and facilities at the site as necessary in connection with testing and observation services. All observations or testing shall be done in a timely manner so as to avoid unnecessary delay in the completion of the Work by the Contractor.

§ 13.3.9 The Owner may require testing or observation, not required by the Specifications or by Applicable Laws, or any methods or means of construction, material or workmanship in order to determine the acceptability thereof under the Contract Documents. Representatives of the testing laboratories and observers shall have access to the Work at all times. The Contractor shall furnish samples of all materials and component parts of the Work required as test specimens in connection with the testing and observation services. All observations or testing shall be done in a timely manner so as to avoid unnecessary delay in the completion of the Work by the Contractor. If such testing or observation does not disclose that the methods or means of construction, material or workmanship are not in compliance with the Contract Documents, the Owner shall bear the cost of such testing and observation and of the labor and facilities in connection with such testing and observations. if such testing or observation discloses that such methods of means of construction, material or workmanship are not in compliance with the Contract Documents, the Contractor shall bear such cost.

§ 13.3.10 The Owner may in its discretion provide and pay for such other tests and inspections he deems necessary or appropriate during construction through an independent quality control agency. The Contractor shall cooperate with such tests and shall notify the testing agency at least 24 hours prior to performing any test directed by Owner. The Contractor acknowledges that the tests referred to herein may include, without limitation, concrete and reinforcement inspection and testing, waterproofing inspection, structural steel inspection, inspections and testing in connection with mechanical and electrical installations.

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## **§ 13 . 4 QUALITY OF WORKMANSHIP AND MATERIALS**

(Paragraph deleted)

**§ 13.4.1** The Contractor shall perform the Work in accordance with the best modern practice and shall employ only first-class workmanship and materials as specified in the Contract Documents.

## **§ 13.5 INTERPRETATION**

**§ 13.5.1** All personal pronouns used in this Contract, whether used in the masculine, feminine or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Titles of Articles, Paragraphs and Subparagraphs are for convenience only, and neither limit nor amplify the provisions of this Contract in itself. The use herein of the word “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such words as “without limitation,” or “but not limited to,” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

(Paragraph deleted)

**§ 13.5.2** Wherever possible, each provision of this Agreement shall be interpreted in a manner as to be effective and valid under applicable law. If, however, any provision of this Agreement, or portion thereof, is prohibited by law or found invalid under any law, only such provision or portion thereof shall be ineffective, without in any manner invalidating or affecting the remaining provisions of this Agreement or valid portions of such provision, which are hereby deemed severable.

## **ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT**

### **§ 14.1 TERMINATION BY THE CONTRACTOR**

**§ 14.1.1** The Contractor may terminate the Contract if the Work is stopped through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor

- .1 for a period of 90 days on account of the issuance of an order of a court or other public authority having jurisdiction;
- .2 for a period of 90 days on account of an act of government, such as a declaration of national emergency, making material unavailable; or
- .3 for a period of 30 days because the Owner has not made payments to the Contractor of amounts not in dispute and due and owing.

(Paragraph deleted)

(Paragraph deleted)

**§ 14.1.2** If one of the reasons described in Section 14.1.1, the Contractor may, upon ten (10) business days’ written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, costs incurred resulting from such termination, proven loss with respect to subcontractors, vendors, materials, equipment, tools, and construction equipment and machinery as provided in Section 14.3 below plus Contractor’s Fee on Work performed. Such recovery shall be the sole remedy of the Contractor in the event of a Contractor termination of the Contract.

(Paragraph deleted)

### **§ 14.2 TERMINATION BY THE OWNER FOR CAUSE**

**§ 14.2.1** The Owner may terminate the Contract if the Contractor:

- .1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction;
- .4 fails to provide or maintain the bonds or insurance required by the Contract Documents; or
- .5 otherwise is guilty of substantial breach of a provision of the Contract Documents.

**§ 14.2.2** When any of the above reasons exist, the Owner may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor’s surety, if any, ten (10) days’ written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 take possession of the Site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 accept assignment of subcontracts pursuant to Section 5.4; and



- .3 finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

**§ 14.2.3** When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

**§ 14.2.4** When the Work is finally complete, if the unpaid balance of the Contract Sum exceeds all costs of finishing the Work, including compensation for the Architect's and Owner's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. This obligation for payment shall survive termination of the Contract.

#### **§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE**

**§ 14.3.1** The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine. Such suspension shall be treated as an Excusable Delay, and the provisions of Section 8.3 shall apply to time extensions and increases in the Contract Sum.

(Paragraph deleted)

#### **§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE**

**§ 14.4.1** The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

**§ 14.4.2** Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall:

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice and those subcontracts of which the Owner elects to take assignment (as stated in the notice), terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

**§ 14.4.3** In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with proportionate Contractor's Fee on Work performed. The foregoing shall be the Contractor's sole remedy in the event of termination for convenience, and the Contractor hereby waives any claims for compensation or damages other than as set forth above.

#### **§ 14.5 SURVIVAL OF PROVISIONS**

**§ 14.5.1** All provisions of the Contract Documents relating to indemnification and other obligations that may extend beyond termination of the Contract shall survive termination or other expiration of the Contract.

### **ARTICLE 15 OTHER PROVISIONS**

#### **§ 15.1 WORK TO CONTINUE DURING DISPUTES**

**§ 15.1.1** In the event of a dispute, controversy or question between the Owner and the Contractor or the Contractor and any other person, with respect to the Project, or this Agreement, or the interpretation of the Contract Documents, the performance of any portion of the Work, the delivery of any materials, the payment of any money or otherwise, the Owner and the Contractor shall continue to perform their respective obligations under this Agreement without interruption or delay, pending the resolution or settlement of such dispute, controversy or question; and the Contractor shall not directly or indirectly stop or delay the performance of the Work, including the delivery of materials to the site.

#### **§ 15.2 PARTIAL OCCUPANCY BY OWNER**

**§ 15.2.1** The Owner reserves the right to place and install equipment and furnishings in the building as necessary and convenient prior to substantial completion, and the Contractor shall cooperate with the Owner and coordinate work with the Owner to allow installation of such equipment and furnishings. Such placing of equipment and partial occupancy of the addition shall not be construed as evidence of completion of the Work or any portion of it, nor signify Owner's acceptance of the Work or any part of it.

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**User Notes:**

(2083241502)

### § 15.3 OCCUPANCY

§ 15.3.1 The Contractor shall allow the Owner to take possession of and use any partially completed portion of the structure, or to place and install as much equipment and machinery during the process of the work as is possible without unreasonable interference with the progress of the Contractor. Possession and use of the structure or placing and installing of equipment, or both, shall not in any way evidence the completion of the Work or signify the Owner's acceptance of the Work or any part thereof.

### § 15.4 INTERFERENCE WITH ADJOINING PROPERTIES

§ 15.4.1 All operations necessary for the execution of the Work shall, so far as compliance with the requirements of the Contract permits, be carried on so as not to interfere unnecessarily or improperly with the convenience of the public, or the access to, use and occupation of public or private roads and footpaths to or of properties whether in the possession of the Owner or of any other person. The Contractor shall save harmless and indemnify the Owner in respect of all claims, proceedings, damages, costs, charges and expenses whatsoever arising out of, or in relation to, any such matters in so far as the Contractor is responsible therefor.

§ 15.4.2 The Contractor shall use every reasonable means to prevent any of the highways or bridges communicating with or on the routes to the site from being damaged or injured by any Traffic of the Contractor or any of its Subcontractors and, in particular, shall select routes, choose and use vehicles and restrict and distribute loads so that any such extraordinary traffic as may arise from the moving of plant and materials from and to the site shall be limited, as reasonably possible, so that no damage or injury may be occasioned to such highways and bridges. Contractor shall save harmless and indemnify the Owner in respect of all claims, proceedings, damages, costs, charges and expenses whatsoever arising out of, or in relation to, any such matters in so far as the Contractor is responsible therefor.

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**User Notes:**

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**Exhibit C**  
**CONTRACTOR'S FIXED RATES**  
**For the Contract between**  
**United Therapeutics and DPR Construction, Inc.**

**Project Name:** United Therapeutics Solid Dose Facility  
**Address :** Research Triangle Park, NC  
**DPR Job No.:** TBD

**Labor Rates (per Man-hour) – [March 4, 2007]**

| <b>Classification</b>                                                  | <b>Rates</b> | <b>Overtime<br/>Rates</b> | <b>Double-time<br/>Rates</b> |
|------------------------------------------------------------------------|--------------|---------------------------|------------------------------|
| Principal                                                              | *            | n/a                       | n/a                          |
| Project Executive                                                      | *            | n/a                       | n/a                          |
| Project Sponsor                                                        | *            | n/a                       | n/a                          |
| Senior Project Manager                                                 | *            | n/a                       | n/a                          |
| Project Manager                                                        | *            | n/a                       | n/a                          |
| Process Manager                                                        | *            | n/a                       | n/a                          |
| Equipment Manager                                                      | *            | n/a                       | n/a                          |
| Assistant Project Manager                                              | *            | n/a                       | n/a                          |
| Project Engineer                                                       | *            | n/a                       | n/a                          |
| Document Control/ETOP                                                  | *            | n/a                       | n/a                          |
| Scheduler                                                              | *            | n/a                       | n/a                          |
| FOC (Field Office Coordinator)                                         | *            | n/a                       | n/a                          |
| Senior Superintendent                                                  | *            | n/a                       | n/a                          |
| Superintendent-CSA/Interiors                                           | *            | n/a                       | n/a                          |
| Superintendent-MEP                                                     | *            | n/a                       | n/a                          |
| Superintendent-Equip/Electrical/Instr.                                 | *            | n/a                       | n/a                          |
| Safety Manager                                                         | *            | n/a                       | n/a                          |
| Estimator                                                              | *            | n/a                       | n/a                          |
| Project Accountant                                                     | *            | n/a                       | n/a                          |
| General Foreman                                                        | *            | *                         | *                            |
| Carpenter Foreman                                                      | *            | *                         | *                            |
| Carpenter                                                              | *            | *                         | *                            |
| Labor Foreman                                                          | *            | *                         | *                            |
| Laborer                                                                | *            | *                         | *                            |
| Payment and performance bond (as % of Cost of the work)                | *%           | n/a                       | n/a                          |
| General Liability Insurance (as % of Cost of the work)                 | *%           | n/a                       | n/a                          |
| Builders Risk Insurance (as % of the Cost of the work)-Owner's option. | By Owner     | n/a                       | n/a                          |

The composite rates defined herein are fixed as stipulated rates by agreement of the Owner and DPR Construction, Inc. and include all statutory fringes, benefits, payroll taxes and insurance, and employee benefits. Notwithstanding any language in the Contract Documents to the contrary, these fixed rates shall, when multiplied by actual, allowable hours worked, constitute cost of the work, as that term is used

in the Contract Documents, to calculate DPR Construction, Inc.'s contract compensation and/or Change Order pricing for each labor classification and equipment item listed. Owner agrees to compensate DPR Construction, Inc.'s labor solely in accordance with these fixed rates. Where Owner has the right under the Contract Documents to audit Contractor's costs, such right with respect to these fixed rates shall be limited to auditing the quantity of labor hours worked and shall not include items of cost included in the fixed rates.

Contractor's Fixed Rates are subject to increase on an annual basis on the anniversary date of the rates as shown above. Such rate change shall be accomplished by Change Order to the Contract.

**Exhibit D**

**GUARANTEED MAXIMUM PRICE**

**1. GMP Bid Package Summary**

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**United Therapeutics Solid Dose Facility  
Research Triangle Park, NC  
Guaranteed Maximum Price  
Summary**

|                            |                                     |             |               |             |            | 201,690 |     | Square Feet         |
|----------------------------|-------------------------------------|-------------|---------------|-------------|------------|---------|-----|---------------------|
| DESCRIPTION                |                                     | Current GMP | Scope Changes | Accepted VE | Pending VE |         |     | Remarks             |
| <b>Subcontracts/Trades</b> |                                     |             |               |             |            |         |     |                     |
| CP001                      | Surveying                           | \$          | *             | \$          | *          | \$      | *   |                     |
| CP002                      | Sitework, site Utilities & Paving   | \$          | *             | \$          | (*)        | \$      | *   | Unclassified site   |
| CP003                      | Landscaping                         |             | *             | \$          | *          | \$      | *   |                     |
| CP004                      | Hardscape                           | \$          | *             | \$          | *          | \$      | *   |                     |
| CP005                      | Concrete                            | \$          | *             | \$          | *          | \$      | *   |                     |
| CP006                      | Stone Setting                       | \$          | *             | \$          | *          | \$      | *   |                     |
| CP007                      | Masonry                             | \$          | *             | \$          | *          | \$      | *   |                     |
| CP008                      | Structural and Misc Steel           | \$          | *             | \$          | *          | \$      | *   | Added 100+ tons     |
| CP009                      | Millwork                            | \$          | *             | \$          | *          | \$      | *   |                     |
| CP010                      | Waterproofing and Caulking          | \$          | *             | \$          | *          | \$      | *   |                     |
| CP011                      | Fireproofing                        | \$          | *             | \$          | *          | \$      | (*) |                     |
| CP012                      | Metal Panels                        | \$          | *             | \$          | *          | \$      | (*) |                     |
| CP013                      | Roofing                             | \$          | *             | \$          | (*)        | \$      | *   |                     |
| CP014                      | Doors, Frames, Hardware             | \$          | *             | (*)         | \$         | *       | (*) |                     |
| CP015                      | Special Doors and Dock Equipment    | \$          | *             | \$          | *          | \$      | (*) | Proprietary Specs.  |
| CP016                      | Glass and Glazing                   | \$          | *             | (*)         | \$         | *       | (*) |                     |
| CP017                      | Drywall                             | \$          | *             | (*)         | \$         | *       | *   | Framing to ext skin |
| CP018                      | Tile                                | \$          | *             | \$          | *          | \$      | *   |                     |
| CP019                      | Acoustical Ceilings                 | \$          | *             | \$          | *          | \$      | *   |                     |
| CP020                      | Floor Coverings                     | \$          | *             | \$          | *          | \$      | (*) |                     |
| CP021                      | Epoxy Flooring Systems              | \$          | *             | (*)         | \$         | *       | *   |                     |
| CP022                      | Painting                            | \$          | *             | (*)         | \$         | *       | *   |                     |
| CP023                      | Specialties                         | \$          | *             | \$          | *          | \$      | *   |                     |
| CP024                      | Signage                             |             | \$            | *           | \$         | *       | *   |                     |
| CP025                      | Folding Partitions                  | \$          | *             | \$          | *          | \$      | *   |                     |
| CP026                      | Lockers                             | \$          | *             | \$          | *          | \$      | *   |                     |
| CP027                      | Wire Partitions                     | \$          | *             | \$          | *          | \$      | *   |                     |
| CP028                      | Lab Casework                        | \$          | *             | \$          | *          | \$      | *   |                     |
| CP029                      | Seating                             | \$          | *             | \$          | *          | \$      | (*) |                     |
| CP030                      | Elevators                           | \$          | *             | \$          | (*)        | \$      | *   |                     |
| CP031                      | Plumbing/HVAC                       | \$          | *             | \$          | (*)        | \$      | *   |                     |
| CP032                      | Fire Protection                     | \$          | *             | \$          | *          | \$      | (*) |                     |
| CP033                      | Electrical & Fire Alarm             | \$          | *             | \$          | (*)        | \$      | (*) |                     |
| CP034                      | HVAC Instrumentation and Controls   | \$          | *             | \$          | *          | \$      | *   |                     |
| CP035                      | Testing and Balancing               | \$          | *             | \$          | *          | \$      | *   |                     |
| CP036                      | Process Piping                      | \$          | *             | \$          | *          | \$      | (*) |                     |
| CP037                      | Environmental Rooms                 | \$          | *             | \$          | *          | \$      | *   |                     |
| CP038                      | Chainlink Fencing                   | \$          | *             | \$          | *          | \$      | *   |                     |
| CP039                      | Storage Racks                       | \$          | *             | \$          | *          | \$      | *   |                     |
|                            | Subguard                            | \$          | *             | \$          | *          | \$      | *   |                     |
|                            | General Requirements                | \$          | *             | \$          | *          | \$      | *   |                     |
|                            | Exterior wall Consultant            | \$          | *             | \$          | *          | \$      | *   |                     |
|                            | <b>Subtotal Subcontracts/Trades</b> | \$          | *             | \$          | (*)        | \$      | (*) |                     |

| DESCRIPTION                                           | Current GMP       | Scope Changes | Accepted VE | Pending VE | Remarks                                                     |
|-------------------------------------------------------|-------------------|---------------|-------------|------------|-------------------------------------------------------------|
| <b>Allw # Allowances:</b>                             |                   |               |             |            |                                                             |
| <b>1</b> Reproduction Costs<br>(w/General Conditions) |                   | * \$          | *           | *          |                                                             |
| <b>2</b> Unsuitable Soil                              | \$                | * \$          | *           | *          |                                                             |
| <b>3</b> Exterior Signage                             | \$                | * \$          | *           | *          |                                                             |
| <b>4</b> Reflecting Pools                             | \$                | * \$          | *           | (*)        |                                                             |
| <b>5</b> Aquarium                                     | \$                | * \$          | *           | *          |                                                             |
| <b>6</b> Solar Panels                                 | \$                | * \$          | *           | *          | Added & Optional                                            |
| <b>7</b> Courtyard Steps                              | \$                | * \$          | *           | *          |                                                             |
| <b>8</b> Cat Walks                                    |                   | * \$          | *           | *          |                                                             |
| <b>9</b> Walkway Pads                                 | \$                | * \$          | *           | *          |                                                             |
| <b>10</b> Interior Signage                            | \$                | * \$          | *           | *          |                                                             |
| <b>11</b> Process Equipment Feeders                   | \$                | * \$          | *           | *          |                                                             |
| <b>12</b> Glatt Hookup                                | \$                | * \$          | *           | *          | Add from Equip budget                                       |
| <b>13</b> Fuel Oil                                    | \$                | * \$          | *           | *          |                                                             |
| <b>14</b> Audio Visual                                | \$                | * \$          | *           | *          |                                                             |
| <b>15</b> Covered Parking                             | \$                | * \$          | *           | *          | Added 3/2/07                                                |
| <b>Subtotal Direct Work</b>                           | \$                | * \$          | *           | (*) \$     | (*)                                                         |
| General Conditions                                    | \$                | *             | *%          |            |                                                             |
| General Liability Insurance                           | \$                | *             | *%          |            |                                                             |
| Builders Risk Insurance                               | By Owner          |               |             |            |                                                             |
| Fee                                                   | \$                | *             | *%          |            |                                                             |
| Construction Contingency                              | \$                | *             | *%          |            |                                                             |
| Design Contingency                                    | By Owner          |               |             |            |                                                             |
| Project Contingency                                   | By Owner          |               |             |            |                                                             |
| P&P Bond (DPR)                                        | Excluded          |               |             |            |                                                             |
| Indirect Costs on VE                                  |                   |               | \$ (*)      | \$ (*)     | Add Alternate in Basis of Estimate                          |
| <b>Sub Total Indirect Costs</b>                       | \$                | *             | \$ (*)      | \$ (*)     |                                                             |
| <b>Total Guaranteed Maximum Price</b>                 | <b>78,424,342</b> |               |             |            | As currently Drawn                                          |
| <b>Accepted Value Engineering</b>                     | (*)               |               |             |            | See Attached VE detail                                      |
| <b>Total Current GMP</b>                              | *                 |               |             |            |                                                             |
| <b>Pending Value Engineering</b>                      | (*)               |               |             |            | See Attached VE detail                                      |
| <b>Total Possible GMP</b>                             | *                 |               |             |            | <b>Target GMP to be no more than \$* Million w/Final VE</b> |
| <b>Scope addes from "Owners line items"</b>           | (*)               |               |             |            | Previously carried with UT Costs                            |

2. Bid Package Detail

---

2941 Fairview Park Drive  
Suite 600  
Falls Church, VA 22042  
(703) 698-0100  
(703) 698-1710



**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Sitework**  
**221113/221313/311000/312000**  
**312319/321216/321373/321313**  
**330500/334100/334713**

**DATE:** 2/8/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

### BID BREAKDOWN FORM

|           | Mountain States<br>Contractors | Faulconer Construction     | TGC Development        | The Mangum Group      | Thompson Contracting |
|-----------|--------------------------------|----------------------------|------------------------|-----------------------|----------------------|
| Name:     |                                |                            |                        |                       |                      |
| Address:  | 3874 S. Alston Ave., Ste 103   | 113 Edinburgh St., Ste 130 | 6508 Mount Herman Road | 6105 Chapel Hill Road | 101 Petfinder Lane   |
| Location: | Durham, NC 27713               | Cary, NC 27511             | Durham, NC 27703       | Raleigh, NC 27607     | Raleigh, NC 27603    |
| Phone:    | 919-484-8993                   | 919-380-9293               | 919-596-1206           | 919-783-5700          | 919-779-0065         |
| Fax:      | 919-484-0142                   | 919-380-9089               | 919-868-2600           | 919-783-6072          | 919-779-0509         |
| Contact:  | Jamie Sullivan                 | Ray Lindholm               | Gyb Lyttle             | Michael Hoke          | Jimmy Shackelford    |
| E-Mail:   |                                |                            |                        |                       |                      |

|                                                                                                                                                                                                                                                | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                                                                                                                                                                                                           |       |          |        |          |        |          |        |          |        |          |        |
| Clear and Grub                                                                                                                                                                                                                                 | ls    |          | \$ *   |          | \$ *   |          | \$ *   | 1        | \$ *   |          | \$ *   |
| Erosion and Sediment Control                                                                                                                                                                                                                   | ls    |          | \$ *   |          | \$ *   |          | \$ *   | 1        | \$ *   |          | \$ *   |
| Haul Road and Crane Road                                                                                                                                                                                                                       | sy    |          | \$ *   | 3,400    | \$ *   | 4,260    | \$ *   | 2,050    | \$ *   |          | \$ *   |
| Excavation and Backfill                                                                                                                                                                                                                        | cy    |          | \$ *   | 47,132   | \$ *   | 1        | \$ *   | 1        | \$ *   |          | \$ *   |
| Stone base under slab on grade                                                                                                                                                                                                                 | tons  |          | \$ *   | 5,525    | \$ *   | 4,533    | \$ *   | 6,625    | \$ *   |          | \$ *   |
| Water Lines and tie in                                                                                                                                                                                                                         | lf    |          | \$ *   | 4,068    | \$ *   | 4,042    | \$ *   | 4,268    | \$ *   |          | \$ *   |
| Fire Pump House                                                                                                                                                                                                                                | ea    |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Sewer Line and tie in                                                                                                                                                                                                                          | lf    |          | \$ *   | 590      | \$ *   | 595      | \$ *   | 765      | \$ *   |          | \$ *   |
| Storm System and tie in                                                                                                                                                                                                                        | lf    |          | \$ *   | 3,159    | \$ *   | 3,159    | \$ *   | 3,217    | \$ *   |          | \$ *   |
| Roof Drainage to 5' outside                                                                                                                                                                                                                    | lf    |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Curb and gutter                                                                                                                                                                                                                                | lf    |          | \$ *   | 3,857    | \$ *   | 4,124    | \$ *   | 3,700    | \$ *   |          | \$ *   |
| Wheel stops                                                                                                                                                                                                                                    | ea    |          | \$ *   | 34       | \$ *   | 34       | \$ *   | 34       | \$ *   |          | \$ *   |
| Asphalt paving                                                                                                                                                                                                                                 | sy    |          | \$ *   | 12,873   | \$ *   | 15,812   | \$ *   | 12,720   | \$ *   |          | \$ *   |
| Pavement Marking                                                                                                                                                                                                                               | ls    |          | \$ *   | 1        | \$ *   | 1        | \$ *   | 1        | \$ *   |          | \$ *   |
| Other                                                                                                                                                                                                                                          | ls    |          | \$ *   | 1        | \$ *   | 1        | \$ *   | 1        | \$ *   |          | \$ *   |
| <b>Total Base Bid</b>                                                                                                                                                                                                                          |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                                                                                                                                                                                                                    |       |          |        |          |        |          |        |          |        |          |        |
| Delete fence, delete permanent seeding, dispose CL/CH offsite, import replacement for CL/CH, remove ABC and fabric in temp parking, add 4" PVC from pumphouse and meter vault to ditch, add fine grading, add stone base under concrete paving |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Revised civil plans                                                                                                                                                                                                                            |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Unclassified                                                                                                                                                                                                                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                                                                                                                                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>                                                                                                                                                                                              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>"Yet to Buy"</b>                                                                                                                                                                                                                            |       |          |        |          |        |          |        |          |        |          |        |
| Unclassified at relocated pond                                                                                                                                                                                                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Additional undercut or removal of unsuitable                                                                                                                                                                                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Utility surveying                                                                                                                                                                                                                              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Export spoils (800 cy)                                                                                                                                                                                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Mark pipe ends                                                                                                                                                                                                                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Stone under concrete paving                                                                                                                                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Sleeves                                                                                                                                                                                                                                        |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Dust control and street cleaning                                                                                                                                                                                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Traffic control and flagmen                                                                                                                                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Wood barricades and signage                                                                                                                                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Increase sanitary sewer main from 8" to 10"                                                                                                                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Subtotal "Yet to Buy"</b>                                                                                                                                                                                                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + "Yet To Buys"</b>                                                                                                                                                                                            |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |

2941 Fairview Park Drive  
Suite 600  
Falls Church, VA 22042  
(703) 698-0100  
(703) 698-1710



**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Sitework**  
**221113/221313/311000/312000**  
**312319/321216/321373/321313**  
**330500/334100/334713**

**DATE:** 2/8/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

**BID BREAKDOWN FORM**

|           | <b>Mountain States<br/>Contractors</b> | <b>Faulconer Construction</b> | <b>TGC Development</b> | <b>The Mangum Group</b> | <b>Thompson Contracting</b> |
|-----------|----------------------------------------|-------------------------------|------------------------|-------------------------|-----------------------------|
| Name:     |                                        |                               |                        |                         |                             |
| Address:  | 3874 S. Alston Ave., Ste 103           | 113 Edinburgh St., Ste 130    | 6508 Mount Herman Road | 6105 Chapel Hill Road   | 101 Petfinder Lane          |
| Location: | Durham, NC 27713                       | Cary, NC 27511                | Durham, NC 27703       | Raleigh, NC 27607       | Raleigh, NC 27603           |
| Phone:    | 919-484-8993                           | 919-380-9293                  | 919-596-1206           | 919-783-5700            | 919-779-0065                |
| Fax:      | 919-484-0142                           | 919-380-9089                  | 919-868-2600           | 919-783-6072            | 919-779-0509                |
| Contact:  | Jamie Sullivan                         | Ray Lindholm                  | Gyb Lyttle             | Michael Hoke            | Jimmy Shackelford           |
| E-Mail:   |                                        |                               |                        |                         |                             |

|                                                     | <b>Units</b> | <b>Quantity</b> | <b>Amount</b> | <b>Quantity</b> | <b>Amount</b> | <b>Quantity</b> | <b>Amount</b> | <b>Quantity</b> | <b>Amount</b> | <b>Quantity</b> | <b>Amount</b> |
|-----------------------------------------------------|--------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| <b>Alternates</b>                                   |              |                 |               |                 |               |                 |               |                 |               |                 |               |
| BOND:                                               |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Haul cleared debris; no burning on site             |              |                 | *             |                 | *             |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Delete top 2" of stone base on building pad         |              | \$ (*)          |               | \$ (*)          |               | *               |               | \$ (*)          |               | \$ *            |               |
| Mass rock by unit price; classified site            |              | \$ (*)          |               | \$ (*)          |               | \$ (*)          |               | *               |               | \$ *            |               |
| Trench rock by unit price; classified site          |              | \$ (*)          |               | \$ (*)          |               | \$ (*)          |               | *               |               | \$ *            |               |
| Unsuitable removal and replacement; classified site |              | \$ (*)          |               | \$ *            |               | \$ (*)          |               | *               |               | \$ *            |               |
| Add concrete paving                                 |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| Add sidewalks                                       |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| <b>Unit Prices</b>                                  |              |                 |               |                 |               |                 |               |                 |               |                 |               |
| Mass rock excavatoin                                |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| Trench rock excavation                              |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| Haul others' spoil offsite                          |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| Light duty paving                                   |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| Heavy duty paving                                   |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| 8" ABC temporary gravel                             |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| 6"ABC gravel paving                                 |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |
| Curb and gutter                                     |              | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               | \$ *            |               |

PROJECT:  
 PACKAGE/TRADE :  
 SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
 Hardscape  
 None

DATE: 2/14/2007  
 BID TAKER: M. Tylee  
 DPR JOB #: 16-26002-01  
 PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|           |                            |                     |                          |
|-----------|----------------------------|---------------------|--------------------------|
| Name:     | <b>David Allen Company</b> | <b>Valley Crest</b> | <b>Fred Adams Paving</b> |
| Address:  | 150 Rush Street            | 710 East Club Blvd  | 118 International Drive  |
| Location: | Raleigh, NC 27603          | Durham, NC 27704    | Morrisville, NC 27560    |
| Phone:    | 919-821-7100               | 919-697-7309        | 919-468-9101             |
| Fax:      | 919-821-7137               | 919-220-6550        | 919-468-9102             |
| Contact:  | Mike Norton                | Bob Horvath         | Debbie Adams-Saunders    |
| E-Mail:   | mikenorton@davidallen.com  |                     |                          |

|                                                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-------------------------------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                                                |       |          |        |          |        |          |        |
| Concrete pavers                                                                     | sf    | 3,800    | \$ *   | 3,800    | \$ *   | 5,250    | \$ *   |
| <b>Total Base Bid</b>                                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                                                         |       |          |        |          |        |          |        |
| Additional square footage to match documents                                        |       |          | \$ *   |          | \$ *   |          | *      |
| Special shapes                                                                      |       |          | \$ *   |          | *      |          | *      |
| Cleanup and dumpster                                                                |       |          | \$ *   |          | *      |          | *      |
| <b>Post Bid Adjustments</b>                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                                                                 |       |          |        |          |        |          |        |
| 4” ABC stone base                                                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Changes of courtyard design                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Subtotal “Yet to Buy”</b>                                                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Alternates</b>                                                                   |       |          |        |          |        |          |        |
| <b>BOND:</b>                                                                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Provide herringbone pattern at curved walkway.                                      |       |          | *      |          | \$ *   |          | *      |
| Provide herringbone pattern at Dining Courtyard.                                    |       |          | *      |          | \$ *   |          | *      |
| Provide running bond pattern at Dining Courtyard perpendicular to transition walls. |       |          | *      |          | \$ *   |          | *      |
| <b>Unit Prices</b>                                                                  |       |          |        |          |        |          |        |
| Concrete pavers, installed                                                          |       |          | *      |          | \$ *   |          | \$ *   |
| Sand base compacted                                                                 |       |          | *      |          | \$ *   |          | *      |
| Metal edging                                                                        |       |          | *      |          | \$ *   |          | *      |
| Special shape (describe)                                                            |       |          | *      |          | *      |          | *      |
| Special shape (describe)                                                            |       |          | *      |          | *      |          | *      |
| Fabric beneath sand base                                                            |       |          | *      |          | *      |          | *      |

BID BREAKDOWN FORM

|           |                        |                      |                           |                      |                     |
|-----------|------------------------|----------------------|---------------------------|----------------------|---------------------|
| Name:     | Blair Concrete Service | Miller and Long      | State Utility Contractors | Southerland Assoc    | Century Contractors |
| Address:  | 6336 Oleander Drive    | 3801 Centurion Drive | 4417 Old Charlotte Hwy    | 255 E. Hebron Street | 5100 Smith Farm     |
| Location: | Wilmington, NC 28043   | Garner, NC 27529     | Monroe, NC 28111          | Charlotte, NC 28273  | Matthews, NC 28104  |
| Phone:    | 910-343-4316           | 919-831-2100         | 704-289-6400              | 704-527-4000         | 704-821-2234        |
| Fax:      | 910-343-4316           | 919-831-1141         | 704-282-0590              | 704-527-4459         | 0                   |
| Contact:  | Tracey Florence        | Ben White            | Reece Burger              | Dean Kite            | Manfred Helbig      |
| E-Mail:   |                        |                      |                           |                      |                     |

|                                                              | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|--------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Bid Breakdown                                                |       |          |        |          |        |          |        |          |        |          |        |
| Excavation and backfill                                      | cy    | 6,569    | *      | 7,500    | *      | 32,500   | \$ *   | 7,500    | \$ *   | 12,620   | \$ *   |
| Footings and grade beams                                     | cy    | 1,909    | *      | 1,881    | *      | 1,500    | \$ *   | 1,800    | \$ *   | 2,249    | \$ *   |
| Slab on grade and pits                                       | cy    | 3,035    | *      | 2,901    | *      | 3,000    | \$ *   | 2,520    | \$ *   | 2,654    | \$ *   |
| Elevated decks                                               | cy    | 1,622    | *      | 1,431    | *      | 2,000    | \$ *   | 1,510    | \$ *   | 1,697    | \$ *   |
| Additional concrete in elevated decks                        | cy    | 134      | *      | Lump Sum | *      | No Bid   | *      | Lump Sum | *      | Lump Sum | *      |
| Reinforcing steel and WWM                                    | tons  | 265      | *      | 258      | *      | 265      | \$ *   | 265      | \$ *   | 296      | \$ *   |
| Aquarium foundation and walls                                | cy    | 46       | *      | 21       | *      | 50       | \$ *   | 35       | \$ *   | 28       | \$ *   |
| Reflecting pools complete                                    | ls    | No Bid   | *      | 1        | *      | No Bid   | *      | 1        | \$ *   | 1        | \$ *   |
| Site concrete                                                | cy    | 1,026    | *      | 1,007    | *      | 900      | \$ *   | 950      | \$ *   | 1,281    | \$ *   |
| Other - Walls & Piers                                        | cy    | 174      | *      | N/A      | *      | Lump Sum | \$ *   | Lump Sum | \$ *   | *        | *      |
| Other - Pipe Bridge Piers & Pits                             | cy    | 243      | *      | N/A      | *      | N/A      | *      | Lump Sum | \$ *   | *        | *      |
| Other - 6000sf - Equipment Pads (Allowance)                  | cy    | 350      | *      | N/A      | *      | N/A      | *      | *        | *      | *        | *      |
| Total Base Bid                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Post Bid Adjustments                                         |       |          |        |          |        |          |        |          |        |          |        |
| Reflecting pools complete                                    | ls    | 1        | *      | In Bid   | \$ (*) | 1        | *      | ls       | \$ (*) |          |        |
| Additional concrete in elevated decks                        | ls    | In Bid   | *      | In Bid   | *      | 1        | \$ *   | ls       | *      |          |        |
| Setting of sleeves                                           | ls    | In Bid   | *      | In Bid   | *      | 1        | \$ *   | ls       | *      |          |        |
| Perimeter Insulation - 2' Around Perimeter                   | ls    | 1        | \$ *   | In Bid   | *      | In Bid   | *      | 1        | \$ *   |          |        |
| Perimeter Toe Boards                                         | ls    | 1        | \$ *   | In Bid   | *      | In Bid   | *      | 1        | \$ *   |          |        |
| Caulking / Sealants For This scope Of Work                   | ls    | 1        | \$ *   | In Bid   | *      | In Bid   | *      | ls       | *      |          |        |
| Hardners / Sealers                                           | ls    | 1        | \$ *   | In Bid   | *      | In Bid   | *      | ls       | *      |          |        |
| Shoring                                                      | ls    | 1        | \$ *   |          | \$ (*) | 1        | \$ *   | 1        | \$ *   |          |        |
| Furnish Stair Nosings                                        | ea    |          | \$ *   |          | \$ *   |          | \$ *   | ls       | *      |          |        |
| Provide 6,000 SF of concrete pads                            | sf    | 6,000    | *      | 6,000    | *      |          | \$ *   | ls       | *      |          |        |
| Provide specified vapor barriers / retarders vs 10 mill poly |       |          |        |          |        |          |        | ls       | \$ *   |          |        |
| One Mobilization                                             | ls    | 1        | *      | N/A      | *      | N/A      | *      | N/A      | *      |          |        |
| Foundation Drain Credit If Not Required                      | lf    | 0        | *      | 3,000    | \$ (*) | 0        | *      | 0        | *      |          |        |
| Post Bid Adjustments                                         |       |          | \$ *   |          | \$ (*) |          | \$ *   |          | \$ (*) |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Concrete  
313116/033053/033513/033713

DATE: 2/7/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                        |                      |                           |                      |                     |
|-----------|------------------------|----------------------|---------------------------|----------------------|---------------------|
| Name:     | Blair Concrete Service | Miller and Long      | State Utility Contractors | Southerland Assoc    | Century Contractors |
| Address:  | 6336 Oleander Drive    | 3801 Centurion Drive | 4417 Old Charlotte Hwy    | 255 E. Hebron Street | 5100 Smith Farm     |
| Location: | Wilmington, NC 28043   | Gamer, NC 27529      | Monroe, NC 28111          | Charlotte, NC 28273  | Matthews, NC 28104  |
| Phone:    | 910-343-4316           | 919-831-2100         | 704-289-6400              | 704-527-4000         | 704-821-2234        |
| Fax:      | 910-343-4316           | 919-831-1141         | 704-282-0590              | 704-527-4459         | 0                   |
| Contact:  | Tracey Florence        | Ben White            | Reece Burger              | Dean Kite            | Manfred Helbig      |
| E-Mail:   |                        |                      |                           |                      |                     |

|                                                      | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| "Yet to Buy"                                         |       |          |        |          |        |          |        |          |        |          |        |
| Mud slabs at pits                                    |       |          | \$ *   |          | *      |          | \$ *   |          | *      |          |        |
| Kitchen slab                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| 2" stone at slab on grade                            |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Temporary stair landing                              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Membrane waterproofing at elevator pits              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| 2" perimeter insulation                              |       |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |          |        |
| Concrete hardener                                    |       |          | \$ *   |          | *      |          | *      |          | *      |          |        |
| Concrete sealer                                      |       |          | \$ *   |          | *      |          | *      |          | *      |          |        |
| Stair nosing material 130 lf                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Bike rack material 25 ea                             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Trench drain material 200 lf                         |       |          | \$ *   |          | *      |          | *      |          | *      |          |        |
| Temporary heat for winter concrete                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Toe boards at elevated slab perimeter and openings   |       |          | \$ *   |          | *      |          | *      |          | \$ *   |          |        |
| Courtyard steps 135 lf (20 cy)                       |       |          | *      |          | *      |          | *      |          | *      |          |        |
| Concrete paver subslab 5200 sf                       |       |          | *      |          | *      |          | *      |          | *      |          |        |
| 50 hour work week                                    |       |          | *      |          | *      |          | *      |          | *      |          |        |
| 60 hour work week                                    |       |          | *      |          | *      |          | *      |          | *      |          |        |
| Final dimension changes due to equipment             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Added post hoist slab depressions w/embed angle 3 ea |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Reduced Glatt platform slab on metal deck by 240 sf  |       |          | \$ (*) |          | \$ (*) |          | \$ (*) |          | \$ (*) |          |        |
| 0                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          |        |
| Subtotal "Yet to Buy"                                |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| LOR Amount = Contract Amount + "Yet To Buys"         |       |          |        |          |        |          |        |          |        |          |        |
|                                                      |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |



PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Concrete  
313116/033053/033513/033713

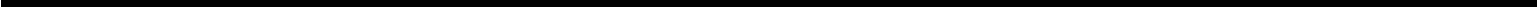
DATE: 2/7/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                        |                      |                           |                      |                     |
|-----------|------------------------|----------------------|---------------------------|----------------------|---------------------|
| Name:     | Blair Concrete Service | Miller and Long      | State Utility Contractors | Southerland Assoc    | Century Contractors |
| Address:  | 6336 Oleander Drive    | 3801 Centurion Drive | 4417 Old Charlotte Hwy    | 255 E. Hebron Street | 5100 Smith Farm     |
| Location: | Wilmington, NC 28043   | Gamer, NC 27529      | Monroe, NC 28111          | Charlotte, NC 28273  | Matthews, NC 28104  |
| Phone:    | 910-343-4316           | 919-831-2100         | 704-289-6400              | 704-527-4000         | 704-821-2234        |
| Fax:      | 910-343-4316           | 919-831-1141         | 704-282-0590              | 704-527-4459         | 0                   |
| Contact:  | Tracey Florence        | Ben White            | Reece Burger              | Dean Kite            | Manfred Helbig      |
| E-Mail:   |                        |                      |                           |                      |                     |

|                                                            | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Alternates                                                 |       |          |        |          |        |          |        |          |        |          |        |
| BOND:                                                      |       |          | \$ *   |          | \$ *   |          | *      |          | *      |          | \$ *   |
| In lieu of comp the slabs per struct dwgs - future kitchen |       |          | \$ (*) |          | \$ (*) |          | *      |          | *      |          | \$ (*) |
| 2" lean concrete slab in kitchen held down 4"              |       |          | \$ *   |          | \$ *   |          | \$ (*) |          | \$ (*) |          | \$ *   |
| 4" topping slab on 2" lean concrete slab later trip        |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| 4" stone base over 2" stone base by others                 |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Concrete sealer                                            |       |          | *      |          | \$ (*) |          | \$ *   |          | \$ (*) |          | \$ (*) |
| Loading platform foundation                                |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |
| Pit waterproofing                                          |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |

Unit Prices



PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Stone Setting  
044243

DATE: 2/13/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|           |                            |                               |
|-----------|----------------------------|-------------------------------|
| Name:     | <b>David Allen Company</b> | <b>Carolina Stone Setting</b> |
| Address:  | 150 Rush Street            | 10315B Chapel Hill Rd         |
| Location: | Raleigh, NC 27603          | Morrisville, NC 27560         |
| Phone:    | 919-821-7100               | 919-467-4692                  |
| Fax:      | 919-821-7137               | 919-467-4660                  |
| Contact:  | Moss Cowart                | Richard Hathaway              |
| E-Mail:   |                            |                               |

|                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                |       |          |        |          |        |          |        |
| Exterior granite panels on stud framing             | sf    |          | \$ *   | 2,974    | \$ *   |          |        |
| Exterior granite panels on cast in place concrete   | sf    |          | \$ *   | 2,617    | \$ *   |          |        |
| Interior granite panels on stud framing             | sf    |          | \$ *   | 134      | \$ *   |          |        |
| Granite tile at pool ledge and sides                | sf    |          | *      | 1,724    | \$ *   |          |        |
| Joint sealers                                       | lf    |          | *      | 6,039    | \$ *   |          |        |
|                                                     |       |          |        |          |        |          |        |
| <b>Total Base Bid</b>                               |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Post Bid Adjustments</b>                         |       |          |        |          |        |          |        |
| 8' diameter aquarium                                |       |          | *      |          | *      |          |        |
|                                                     |       |          |        |          |        |          |        |
| <b>Post Bid Adjustments</b>                         |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>“Yet to Buy”</b>                                 |       |          |        |          |        |          |        |
|                                                     |       |          |        |          |        |          |        |
| Final dimension changes due to measurements         |       |          | *      |          | *      |          |        |
| 8' diameter aquarium                                |       |          | \$ *   |          | \$ *   |          |        |
| Joint sealants 6100 lf                              |       |          | \$ *   |          | *      |          |        |
|                                                     |       |          |        |          |        |          |        |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | \$ *   |          | \$ *   |          | \$ 0   |
|                                                     |       |          |        |          |        |          |        |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | \$ *   |          | \$ *   |          | \$ 0   |
|                                                     |       |          |        |          |        |          |        |
| <b>Alternates</b>                                   |       |          |        |          |        |          |        |
| BOND:                                               |       |          | *      |          | \$ *   |          |        |
|                                                     |       |          |        |          |        |          |        |
| Delete granite tile at lobby ledge and pools        |       |          | *      |          | \$ (*) |          |        |
|                                                     |       |          |        |          |        |          |        |
| <b>Unit Prices</b>                                  |       |          |        |          |        |          |        |
| Granite pavers on mud base                          |       |          | \$ *   |          | \$ *   |          |        |
| Granite pavers on sand base                         |       |          | \$ *   |          | \$ *   |          |        |

| BID BREAKDOWN FORM                                                      |       |                     |        |                       |        |                    |        |                      |        |
|-------------------------------------------------------------------------|-------|---------------------|--------|-----------------------|--------|--------------------|--------|----------------------|--------|
| Name:                                                                   |       | Brodie Contractors  |        | Moxley Masonry        |        | Whitman Masonry    |        | Joyner Masonry       |        |
| Address:                                                                |       | 3901 Computer Drive |        | 5109B Unicon Drive    |        | 120 E. Main Street |        | 104 Parcel Stree     |        |
| Location:                                                               |       | Raleigh, NC 27609   |        | Wake Forest, NC 27587 |        | Benson, NC 27504   |        | Greenville, NC 27834 |        |
| Phone:                                                                  |       | 919-782-2482        |        | 919-562-2020          |        | 919-894-8511       |        | 252-752-1578         |        |
| Fax:                                                                    |       | 919-782-2062        |        | 919-562-4044          |        | 919-894-1756       |        | 252-752-9010         |        |
| Contact:                                                                |       | Doug Gray           |        | Joe Mandato           |        | Doug Burton        |        | John Thienpont       |        |
| E-Mail:                                                                 |       |                     |        |                       |        |                    |        |                      |        |
|                                                                         | Units | Quantity            | Amount | Quantity              | Amount | Quantity           | Amount | Quantity             | Amount |
| Bid Breakdown                                                           |       |                     |        |                       |        |                    |        |                      |        |
| Interior masonry                                                        | ea    |                     | *      |                       | \$ *   | 18,500             | \$ *   |                      | \$ *   |
| Exterior masonry                                                        | ea    |                     |        |                       | \$ *   | 5,600              | \$ *   |                      |        |
| Dowel replacement                                                       | ea    |                     |        |                       | \$ *   | 65                 | \$ *   |                      |        |
| Scaffolding                                                             | ls    |                     |        |                       | \$ *   |                    | \$ *   |                      |        |
| Stand alone mockup                                                      | ea    |                     |        |                       | \$ *   |                    | \$ *   |                      |        |
| Patching and openings                                                   | ls    |                     |        |                       | \$ *   |                    | \$ *   |                      |        |
| Composite cleanup                                                       | ls    |                     |        |                       | \$ *   | incl               |        |                      |        |
| Caulking                                                                | ls    |                     |        |                       |        |                    | \$ *   |                      |        |
| Total Base Bid                                                          |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| Post Bid Adjustments                                                    |       |                     |        |                       |        |                    |        |                      |        |
| Post Bid Adjustments                                                    |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)                              |       |                     |        |                       |        |                    |        |                      |        |
| "Yet to Buy"                                                            |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| Framed openings for trades                                              |       |                     |        |                       |        |                    |        |                      |        |
| Framed openings for trades                                              |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| Miscellaneous structural supports                                       |       |                     |        |                       |        |                    |        |                      |        |
| Miscellaneous structural supports                                       |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| Subtotal "Yet to Buy"                                                   |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| LOR Amount = Contract Amount + "Yet To Buys"                            |       |                     |        |                       |        |                    |        |                      |        |
| LOR Amount = Contract Amount + "Yet To Buys"                            |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| Alternates                                                              |       |                     |        |                       |        |                    |        |                      |        |
| BOND:                                                                   |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |
| Change exterior masonry from gray ground face to gray standard masonry. |       |                     |        |                       |        |                    |        |                      |        |
| Change exterior masonry from gray ground face to gray standard masonry. |       |                     | \$ *   |                       | *      |                    | \$ (*) |                      | \$ (*) |
| Unit Prices                                                             |       |                     |        |                       |        |                    |        |                      |        |
| None                                                                    |       |                     | \$ *   |                       | \$ *   |                    | \$ *   |                      | \$ *   |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Structural and Misc Steel  
051200/052100/055000/053100/

DATE: 2/6/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

Steel Fab of VA  
3721 S. Amherst Hwy.

|           |                     |                         |                       |
|-----------|---------------------|-------------------------|-----------------------|
| Name:     | Madison Heights, VA | South Carolina Steel    | Weldon Steel          |
| Address:  | 24572               | 113 E. Warehouse Court  | 101 Kennametal Road   |
| Location: | 434-929-0667        | Taylors, SC 29687       | Weldon, NC 27890      |
| Phone:    | 434-929-0667        | 864-244-2860            | 252-536-2113          |
| Fax:      | Ken Hudnall         | 864-244-8776            | 252-536-2866          |
| Contact:  | bhardin@steelfab-   | Richard Tucker          | Kris Neal             |
| E-Mail:   | inc.com             | richard.tucker@cmcs.com | kneal@weldonsteel.com |

|                                                 | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| Bid Breakdown                                   |       |          |        |          |        |          |        |
| Structural Steel                                | tons  | 1,591    | \$ *   |          | \$ *   |          | \$ *   |
| Metal Roof Deck                                 | sq    | 1,198    | \$ *   |          |        |          |        |
| Metal Floor Deck                                | sq    | 930      | \$ *   |          |        |          |        |
| Erect Structural Steel                          | ls    | 1        | \$ *   |          |        |          |        |
| Erect Miscellaneous Steel                       | ls    | 1        | \$ *   |          |        |          |        |
| Furnish Miscellaneous Steel                     | ls    | 1        | \$ *   |          |        |          |        |
| Miscellaneous Steel Allowed                     | ls    | 1        | \$ *   |          |        |          |        |
| Engineering/Shop Drawings                       | ls    | 1        | \$ *   |          |        |          |        |
| Total Base Bid                                  |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Post Bid Adjustments                            |       |          |        |          |        |          |        |
| Hold price for 60 days                          |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Steel touchup                                   |       |          | \$ *   |          | *      |          | *      |
| Vented deck for lightweight insulating concrete |       |          | \$ *   |          | *      |          | \$ *   |
| Perimeter cable rail at roofs                   |       |          | \$ *   |          | *      |          | \$ *   |
| Anchor bolt survey                              |       |          | \$ *   |          | *      |          | \$ *   |
| Post Bid Adjustments                            |       |          | \$ *   |          | \$ *   |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)      |       |          | \$ *   |          | \$ *   |          | \$ *   |

**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Structural and Misc Steel**  
**051200/052100/055000/053100/**

**DATE:** 2/6/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

**BID BREAKDOWN FORM**

**Steel Fab of VA**  
3721 S. Amherst Hwy.

Name: Madison Heights, VA  
Address: 24572  
Location: 434-929-0667  
Phone: 434-929-0667  
Fax: Ken Hudnall  
Contact: bhardin@steelfab-  
E-Mail: inc.com  
**Units**

**South Carolina Steel**  
113 E. Warehouse Court  
Taylors, SC 29687  
864-244-2860  
864-244-8776  
Richard Tucker  
richard.tucker@cmcs.com

**Weldon Steel**  
101 Kennametal Road  
Weldon, NC 27890  
252-536-2113  
252-536-2866  
Kris Neal  
kneal@weldonsteel.com

**“Yet to Buy”**

|                                                            | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|------------------------------------------------------------|----------|--------|----------|--------|----------|--------|
| Second erection of Glatt area steel after Glatts in        |          | \$ *   |          | \$ *   |          | \$ *   |
| Touch up paint                                             |          |        |          | \$ *   |          | \$ *   |
| Final dimension changes due to equipment                   |          | \$ *   |          | \$ *   |          | \$ *   |
| Steel supports and removal at skylights 12 each            |          | \$ *   |          | \$ *   |          | \$ *   |
| Perimeter cable at roofs                                   |          | *      |          | \$ *   |          | \$ *   |
| Roof deck for lightweight concrete                         |          | *      |          | *      |          | *      |
| Temporary roof openings for Glatts                         |          | \$ *   |          | *      |          | \$ *   |
| Install lavatory top supports 106 lf                       |          | *      |          | \$ *   |          | *      |
| Install SS posts at reception and lobby                    |          | *      |          | *      |          | *      |
| Install elevator sill angles 40 lf                         |          | \$ *   |          | \$ *   |          | *      |
| Install elevator pit ladders 2 ea                          |          | *      |          | \$ *   |          | *      |
| Install stainless steel door jambs                         |          | *      |          | *      |          | *      |
| Install carbon steel door jambs                            |          | *      |          | *      |          | *      |
| Furnish 44 stainless steel posts for Serving Line cabinets |          | \$ *   |          | \$ *   |          | \$ *   |
| Lift for steel testing                                     |          | *      |          | *      |          | *      |
| Embed angles at scale pits                                 |          | *      |          | *      |          | *      |
| Furnish embed angles at post hoist pits 63 lf              |          | \$ *   |          | \$ *   |          | \$ *   |
| Steel changes at Glatts                                    |          | \$ *   |          | \$ *   |          | \$ *   |
| Install top of CMU tube and plate 92 lf                    |          | *      |          | \$ *   |          | *      |
| Install top of CMU brace angle 160 ea                      |          | *      |          | \$ *   |          | *      |
| Catwalks 88 lf                                             |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Subtotal “Yet to Buy”</b>                               |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>        |          | \$ *   |          | \$ *   |          | \$ *   |

**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Structural and Misc Steel**  
**051200/052100/055000/053100/**

**DATE:** 2/6/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

**BID BREAKDOWN FORM**

**Steel Fab of VA**  
3721 S. Amherst Hwy.

|           |                     |                             |                       |
|-----------|---------------------|-----------------------------|-----------------------|
| Name:     | Madison Heights, VA | <b>South Carolina Steel</b> | <b>Weldon Steel</b>   |
| Address:  | 24572               | 113 E. Warehouse Court      | 101 Kennametal Road   |
| Location: | 434-929-0667        | Taylors, SC 29687           | Weldon, NC 27890      |
| Phone:    | 434-929-0667        | 864-244-2860                | 252-536-2113          |
| Fax:      | Ken Hudnall         | 864-244-8776                | 252-536-2866          |
| Contact:  | bhardin@steelfab-   | Richard Tucker              | Kris Neal             |
| E-Mail:   | inc.com             | richard.tucker@cmcs.com     | kneal@weldonsteel.com |

|                                       | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|---------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Alternates</b>                     |       |          |        |          |        |          |        |
| BOND:                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
|                                       |       |          |        |          |        |          |        |
| Intumescent Fireproofing Shop Topcoat |       |          | *      |          | *      |          | *      |
| Warehouse steel to start 07/31/07     |       |          | *      |          | *      |          | *      |
| 50 hour work week M-F                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
| 60 hour work week M-S                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
|                                       |       |          |        |          |        |          |        |
| <b>Unit Prices</b>                    |       |          |        |          |        |          |        |
| 6" pipe bollards                      |       |          | \$ *   |          | \$ *   |          | \$ *   |
| 18" high Wildeck railing              |       |          | \$ *   |          | \$ *   |          | \$ *   |
| 44" high Wildeck railing              |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Floor guardrail at sliding doors      |       |          | \$ *   |          | \$ *   |          | \$ *   |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Millwork  
062023/064023/066513/097513

DATE: 2/15/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                       |                    |                       |
|-----------|-----------------------|--------------------|-----------------------|
| Name:     | Summum Woodwork       | Allegheny Millwork | Cleora Sterling       |
| Address:  | 420 Du Marche, Ste 20 | 104 Commerce Blvd  | 616 Highway 54 West   |
| Location: | St. Jerome, Quebec,   | Lawrence, PA 15055 | Chapel Hill, NC 27516 |
| Phone:    | CAN                   | 410-721-1356       | 919-967-8988          |
| Fax:      | 450-431-4541          | 724-820-1372       | 919-967-0447          |
| Contact:  | 450-565-3623          | Mike Chambers      | Tim Lloyd             |
| E-Mail:   | Simon LeCroix         |                    |                       |

|                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                |       |          |        |          |        |          |        |
| Solid surface wall panels                           | sf    | 9,590    | \$ *   |          | \$ *   |          | \$ *   |
| Toilet Rooms                                        | sf    |          | \$ *   |          | \$ *   |          | \$ *   |
| Reception areas and lobby                           | sf    |          | \$ *   |          | \$ *   |          | \$ *   |
| Cafeteria and Coffee Bar                            | sf    |          | \$ *   |          | \$ *   |          | \$ *   |
| General cabinets and counters                       | lf    |          | \$ *   |          | \$ *   |          | \$ *   |
| Wall panels                                         | ls    | 3,970    | \$ *   |          | \$ *   |          | \$ *   |
| Window seats, wood                                  | ls    | 136      | \$ *   |          | \$ *   |          | \$ *   |
| Window seats, curved solid surface                  | ls    | 68       | \$ *   |          |        |          |        |
| Other                                               | ls    |          |        |          | \$ *   |          | \$ *   |
| <b>Total Base Bid</b>                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                         |       |          |        |          |        |          |        |
| Protection of work                                  |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Stainless steel legs in Serving                     |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Safety requirements                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                                 |       |          |        |          |        |          |        |
| Final dimension changes due to Cafeteria vendor     |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Glass countertop at Lobby 11101                     |       |          | *      |          | *      |          | *      |
| No urea formaldehyde in MDF and particleboard       |       |          | \$ *   |          | \$ *   |          | \$ *   |
| FSC certified lumber                                |       |          | *      |          | *      |          | *      |
| Wall panels                                         |       |          | *      |          | *      |          | *      |
| Faucet and soap dispenser grommets                  |       |          | *      |          | *      |          | \$ *   |
| Tray guides                                         |       |          | \$ *   |          | \$ *   |          | *      |
| Stair rail caps                                     |       |          | *      |          | *      |          | *      |
| Sneeze guard, glass counters and shelves            |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | \$ *   |          | \$ *   |          | \$ *   |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Millwork  
062023/064023/066513/097513

DATE: 2/15/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                       |                    |                       |
|-----------|-----------------------|--------------------|-----------------------|
| Name:     | Summum Woodwork       | Allegheny Millwork | Cleora Sterling       |
| Address:  | 420 Du Marche, Ste 20 | 104 Commerce Blvd  | 616 Highway 54 West   |
| Location: | St. Jerome, Quebec,   | Lawrence, PA 15055 | Chapel Hill, NC 27516 |
| Phone:    | CAN                   |                    |                       |
| Fax:      | 450-431-4541          | 410-721-1356       | 919-967-8988          |
| Contact:  | 450-565-3623          | 724-820-1372       | 919-967-0447          |
| E-Mail:   | Simon LeCroix         | Mike Chambers      | Tim Lloyd             |

|                                                         | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|---------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| Alternates                                              |       |          |        |          |        |          |        |
| BOND:                                                   |       |          | *      |          | \$ *   |          | \$ *   |
| Furnish and install sneeze guards                       |       |          | *      |          | *      |          | \$ *   |
| Furnish and install glass shelves at wet bars           |       |          | *      |          | *      |          | \$ *   |
| Furnish and install glass partition at serving line     |       |          | *      |          | *      |          | *      |
| Furnish and install glass countertop at lobby reception |       |          | *      |          | *      |          | \$ *   |
| Furnish and install glass shelves at reception areas    |       |          | *      |          | *      |          | \$ *   |
| MDF and particle board without urea formaldehyde        |       |          | *      |          | \$ *   |          | \$ *   |
| Unit Prices                                             |       |          |        |          |        |          |        |
| Wood panels                                             |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Solid polymer wall panels                               |       |          | \$ *   |          | \$ *   |          | \$ *   |



**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Waterproofing and Caulking**  
**071353/079200**

**DATE:** 2/15/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

**BID BREAKDOWN FORM**

**ABG Caulking & Waterproofing**  
Name: **Waterproofing**  
Address: 3407 W. Andrew  
Location: Johnson Hwy  
Phone: Morristown, TN 37814  
Fax: 423-587-0638  
Contact: 423-587-3921  
E-Mail: Scott Shaw

**Seager Waterproofing**

**Watertight Systems**

|                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                |       |          |        |          |        |          |        |
| Elastomeric sheet waterproofing                     | sf    | 500      | \$ *   |          | *      |          | *      |
| Concrete floor joints                               | sf    | 14,404   | \$ *   |          |        |          |        |
| Masonry control joints and top of wall              | sf    | 4,275    | \$ *   |          |        |          |        |
| Steel window frames                                 | sf    | 2,068    | \$ *   |          |        |          |        |
| Special doors                                       | lf    | 15       | \$ *   |          |        |          |        |
| Granite                                             | ls    | 6,100    | \$ *   |          |        |          |        |
| Personnel doors                                     | ls    | 250      | \$ *   |          |        |          |        |
| Inside corner coves                                 | ls    | 11,348   | \$ *   |          |        |          |        |
| Glatt closures                                      | ls    | 115      | \$ *   |          |        |          |        |
| Cabinet trim                                        | ls    |          | \$ *   |          |        |          |        |
| Solid surface wall cladding                         | ls    | 7,238    | \$ *   |          |        |          |        |
| Fire extinguishers                                  | ls    |          | \$ *   |          |        |          |        |
| <b>Total Base Bid</b>                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                         |       |          |        |          |        |          |        |
| Clean build for cGMP                                |       |          | \$ *   |          |        |          |        |
| Concrete pavement caulking                          |       |          | \$ *   |          |        |          |        |
| Cleanup                                             |       |          | \$ *   |          |        |          |        |
| <b>Post Bid Adjustments</b>                         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                                 |       |          |        |          |        |          |        |
| Granite                                             |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Coves 11348 lf                                      |       |          | \$ *   |          | \$ *   |          | \$ *   |
| cGMP sealants 5,000 lf                              |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Solid surface cladding                              |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | \$ *   |          | \$ *   |          | \$ *   |

**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Waterproofing and Caulking**  
**071353/079200**

**DATE:** 2/15/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

**BID BREAKDOWN FORM**

Name: **ABG Caulking &**  
Address: **Waterproofing**  
Location: 3407 W. Andrew Johnson  
Hwy  
Phone: Morristown, TN 37814  
Fax: 423-587-0638  
Contact: 423-587-3921  
E-Mail: Scott Shaw

**Seager Waterproofing**

**Watertight Systems**

|                                                      | <u>Units</u> | <u>Quantity</u> | <u>Amount</u> | <u>Quantity</u> | <u>Amount</u> | <u>Quantity</u> | <u>Amount</u> |
|------------------------------------------------------|--------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| <b>Alternates</b>                                    |              |                 |               |                 |               |                 |               |
| BOND:                                                |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Bentonite at elevator pits in lieu of sheet membrane |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Crystalline inside elevator pits                     |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Waterproofing beneath pools                          |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Delete solid surface caulking                        |              |                 | *             |                 | \$ *          |                 | \$ *          |
| Delete granite caulking                              |              |                 | *             |                 | \$ *          |                 | \$ *          |
| Provide sandwich slab waterproofing at balcony slab  |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
|                                                      |              |                 |               |                 |               |                 | \$            |
| <b>Unit Prices</b>                                   |              |                 |               |                 |               |                 |               |
| Elastomeric waterproofing                            |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| cGMP caulking                                        |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| General caulking                                     |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Masonry control joints                               |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Floor joints                                         |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Special door frames                                  |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Personnel door frames                                |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |
| Crystalline waterproofing                            |              |                 | \$ *          |                 | \$ *          |                 | \$ *          |

**DATE:** 2/20/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

|                                                     | Units | Quantity | Amount      | Quantity | Amount      | Quantity | Amount      |
|-----------------------------------------------------|-------|----------|-------------|----------|-------------|----------|-------------|
| <b>Bid Breakdown</b>                                |       |          |             |          |             |          |             |
| Intumescent fireproofing exposed                    | sf    |          | \$ *        |          | *           |          |             |
| Intumescent fireproofing concealed                  | sf    |          | *           |          |             |          |             |
| <b>Total Base Bid</b>                               |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ 0</b> |
| <b>Post Bid Adjustments</b>                         |       |          |             |          |             |          |             |
| <b>Post Bid Adjustments</b>                         |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ 0</b> |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ 0</b> |
| <b>“Yet to Buy”</b>                                 |       |          |             |          |             |          |             |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ 0</b> |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ 0</b> |
| <b>Alternates</b>                                   |       |          |             |          |             |          |             |
| BOND:                                               |       |          | \$ *        |          | \$ *        |          | \$ 0        |
| Shop primer at steel fabricator’s shop              |       |          | *           |          | \$ *        |          | \$ 0        |
| <b>Unit Prices</b>                                  |       |          |             |          |             |          |             |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Metal Panels  
054000/072100/074212/074243/

DATE: 2/12/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                 |                      |                        |
|-----------|-----------------|----------------------|------------------------|
| Name:     | SPS Corporation | SECO                 | Ranger Glass           |
| Address:  | 1229 Perry Road | 7308 Van Claybon Dr. | 19031 Aldine Westfield |
| Location: | Apex, NC 27502  | Apex, NC 27523       | Houston, TX 71111      |
| Phone:    | 919-367-8885    | 919-387-6577         | 281-821-3777           |
| Fax:      | 919-367-0179    | 919-387-1626         | 281-821-3785           |
| Contact:  | Bob Murphy      | Rob Drane            | Omar Maalouf           |
| E-Mail:   |                 |                      |                        |

|                                                       | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                  |       |          |        |          |        |          |        |
| Insulated panels                                      | sf    | 63,500   | \$ *   | 53,700   | \$ *   |          | *      |
| Composite wall panels                                 | sf    | 44,109   | \$ *   | 41,200   | \$ *   |          |        |
| Louvers                                               | sf    | 504      | \$ *   | 504      | \$ *   |          |        |
| Integral window system without glass                  | sf    | 1,500    | \$ *   | 1,500    | \$ *   |          |        |
| Coping material                                       | lf    | 4,300    | \$ *   | 1        | \$ *   |          |        |
| Steel Framing                                         | ls    | 1        | \$ *   | 1        | \$ *   |          |        |
| Stainless steel column and beam covers                | ls    | 1        | *      | 1        | \$ *   |          |        |
| Other                                                 | ls    |          |        |          | \$ *   |          |        |
| <b>Total Base Bid</b>                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                           |       |          |        |          |        |          |        |
| Second mobilization to complete construction openings |       |          | \$ *   |          | *      |          |        |
| <b>Post Bid Adjustments</b>                           |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>     |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                                   |       |          |        |          |        |          |        |
| 50 work week                                          |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Second mobilization to complete construction openings |       |          | *      |          | \$ *   |          | \$ *   |
| Lobby stainless steel panels and studs 448 sf         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Subtotal “Yet to Buy”</b>                          |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Alternates</b>                                     |       |          |        |          |        |          |        |
| BOND:                                                 |       |          | \$ *   |          | \$ *   |          |        |
| Provide all glass in integral windows                 |       |          | \$ *   |          | \$ *   |          |        |
| Alternate metal panel manufacturer                    |       |          | \$ (*) |          | \$ (*) |          |        |
| Add for glass and glazing per CP016                   |       |          | *      |          | *      |          |        |
| 50 hour work week                                     |       |          | \$ *   |          | *      |          |        |
| 60 hour work week                                     |       |          | \$ *   |          | *      |          |        |
| <b>Unit Prices</b>                                    |       |          |        |          |        |          |        |
| Additional exterior wall penetrations                 |       |          | \$ *   |          | *      |          |        |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Roofing and Skylights  
072100/075323/077129

DATE: 2/12/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                           |                          |                       |                        |                            |
|-----------|---------------------------|--------------------------|-----------------------|------------------------|----------------------------|
| Name:     | <b>Baker Roofing</b>      | <b>Burns &amp; Scalo</b> | <b>Hamlin Roofing</b> | <b>Service Roofing</b> | <b>Peach State Roofing</b> |
| Address:  | 517 Mercury Street        | 22 Rutgers Road          | 1411 W. Garner Road   | 3317 Hobby Court       | 4520 Preslyn Drive         |
| Location: | Raleigh, NC 27603         | Pittsburgh, PA 15205     | Gamer, NC 27529       | Raleigh, NC 27604      | Raleigh, NC 27616          |
| Phone:    | 919-829-2975              | 800-622-4336             | 919-772-8780          | 919-873-0370           | 919-878-6134               |
| Fax:      | 919-828-9352              | 412-928-8702             | 919-779-5768          | 919-873-9450           | 919-878-6135               |
| Contact:  | Bruce Harrington          | Mark                     | Tom Fissel            | Hank Redeker           | Daniel Lopez               |
| E-Mail:   | mikenorton@davidallen.com |                          |                       |                        |                            |

|                                                       | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                  |       |          |        |          |        |          |        |          |        |          |        |
| Roofing and Sheet Metal                               | sf    |          | \$ *   | 121,800  | \$ *   | 122,800  | \$ *   |          | *      | 1        | \$ *   |
| Skylights                                             | ea    |          | \$ *   | 10       | \$ *   | 10       | \$ *   |          |        |          | \$ *   |
| Gutters and downspouts                                | lf    |          | \$ *   | 750      | \$ *   | 750      | \$ *   |          |        |          | \$ *   |
| Wood blocking                                         | lf    |          | \$ *   | 21,750   | \$ *   | 17,500   | \$ *   |          |        |          | \$ *   |
| Other                                                 | lf    |          | \$ *   |          |        |          | \$ *   |          |        |          |        |
| <b>Total Base Bid</b>                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                           |       |          |        |          |        |          |        |          |        |          |        |
| Lightweight insulating concrete on metal deck         |       |          | \$ *   |          | \$ *   |          | *      |          |        |          | \$ *   |
| Mobile guardrail                                      |       |          | \$ *   |          | \$ *   |          | \$ *   |          |        |          | \$ *   |
| Temporary roof openings                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          |        |          | \$ *   |
| Temporary roof landings                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          |        |          | \$ *   |
| Second mobilization to complete construction openings |       |          | \$ *   |          | \$ *   |          | \$ *   |          |        |          | \$ *   |
| <b>Post Bid Adjustments</b>                           |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>     |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                                   |       |          |        |          |        |          |        |          |        |          |        |
| Walkway pads 4000 lf                                  |       |          | *      |          | *      |          | *      |          |        |          | *      |
| Roof curb flashing 650 lf                             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Plumbing roof vents 80 ea                             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Process roof vents 50 ea                              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Temporary roof membrane                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Wood blocking                                         |       |          | *      |          | *      |          | *      |          | \$ *   |          | \$ *   |
| <b>Subtotal “Yet to Buy”</b>                          |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Roofing and Skylights  
072100/075323/077129

DATE: 2/12/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                           |                          |                       |                        |                            |
|-----------|---------------------------|--------------------------|-----------------------|------------------------|----------------------------|
| Name:     | <b>Baker Roofing</b>      | <b>Burns &amp; Scalo</b> | <b>Hamlin Roofing</b> | <b>Service Roofing</b> | <b>Peach State Roofing</b> |
| Address:  | 517 Mercury Street        | 22 Rutgers Road          | 1411 W. Garner Road   | 3317 Hobby Court       | 4520 Preslyn Drive         |
| Location: | Raleigh, NC 27603         | Pittsburgh, PA 15205     | Garner, NC 27529      | Raleigh, NC 27604      | Raleigh, NC 27616          |
| Phone:    | 919-829-2975              | 800-622-4336             | 919-772-8780          | 919-873-0370           | 919-878-6134               |
| Fax:      | 919-828-9352              | 412-928-8702             | 919-779-5768          | 919-873-9450           | 919-878-6135               |
| Contact:  | Bruce Harrington          | Mark                     | Tom Fissel            | Hank Redeker           | Daniel Lopez               |
| E-Mail:   | mikenorton@davidallen.com |                          |                       |                        |                            |

|                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Alternates                                          |       |          |        |          |        |          |        |          |        |          |        |
| BOND:                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
|                                                     |       |          |        |          |        |          | *%     |          |        |          |        |
| Carlisle 60 mil white TPO                           |       |          | \$ (*) |          | \$ (*) |          | \$ (*) |          | \$ *   |          | \$ (*) |
| 20 year total system warranty                       |       |          | *      |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Adhered 60 mil EPDM from alternate manufacturer     |       |          | *      |          | *      |          | *      |          | \$ *   |          | \$ *   |
| Adhered 60 mil white TPO from alternate manufacture |       |          | \$ (*) |          | *      |          | *      |          | \$ *   |          | *      |
| 50 hour work week                                   |       |          | \$ *   |          | *      |          | *      |          | \$ *   |          | *      |
| 60 hour work week                                   |       |          | \$ *   |          | *      |          | *      |          | \$ *   |          | *      |
| Unit Prices                                         |       |          |        |          |        |          |        |          |        |          |        |
| Walkway padsper ea                                  |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Vent thru roofper ea                                |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Curb flashingper lf                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |
| Roof hatchper ea                                    |       |          | *      |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Pipe penetratioinper ea                             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Temporary roof membraneper sf                       |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Remove/replace damaged roofper sf                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |

**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Doors and Hardware**  
**081113/081613/081416**  
**085123/087111/087113**

**DATE:** 2/19/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

## BID BREAKDOWN FORM

**Name:** **Engineering Specialties**  
**Address:** 801 Mt. Vernon Rd.  
**Location:** Raleigh, NC 27607  
**Phone:** 919-851-8448  
**Fax:** 919-851-8073  
**Contact:** Bob Betz  
**E-Mail:**

**J.S. Archer Co.**  
10466 Dow-Gil Rd.  
Ashland, VA 23005  
301-920-1435  
301-920-1435  
Cindy Alonso

**Martin Architectural**  
511 E. Chatham St.  
Cary, NC 27511  
919-469-9661  
919-469-9630  
Steve Newburg

**C.H. Edwards**  
4005 S. Memorial Drive  
Greenville, NC 27834  
252-756-8500  
252-756-3884  
Shep Edwards

|                                                         | Units  | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|---------------------------------------------------------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Bid Breakdown                                           |        |          |        |          |        |          |        |          |        |
| Hollow Metal Frames                                     | ea     | 151      | \$ *   | 86       | \$ *   | 143      | \$ *   | 202      | \$ *   |
| Hollow Metal Doors                                      | ea     | 111      | \$ *   | 96       | \$ *   | 89       | \$ *   | 91       | \$ *   |
| Flush Wood Doors                                        | ea     | 142      | \$ *   | 143      | \$ *   | 143      | \$ *   | 148      | \$ *   |
| FRP Personnel Doors                                     | leaves | 94       | \$ *   |          | \$ *   | 94       | \$ *   | 93       | \$ *   |
| Hardware                                                | ea     |          | \$ *   | 414      | \$ *   | 417      | \$ *   | 332      | \$ *   |
| Steel Windows                                           | ea     | 22       | \$ *   | 22       | \$ *   | 22       | \$ *   | 21       | \$ *   |
| Installation                                            | ls     | 1        | \$ *   | 1        | \$ *   | 1        | \$ *   | 1        | \$ *   |
| Temporary Doors                                         | ls     |          |        |          |        | 20       | \$ *   | 20       | \$ *   |
| Total Base Bid                                          |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Post Bid Adjustments                                    |        |          |        |          |        |          |        |          |        |
| FRP Personnel Doors                                     |        |          | *      |          | *      |          | *      |          | *      |
| Temporary Doors                                         |        |          | *      |          | *      |          | *      |          | *      |
|                                                         |        |          |        |          |        |          |        |          |        |
| Post Bid Adjustments                                    |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| COMPARISON TOTAL<br>(Initial Contract Amount)           |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| “Yet to Buy”                                            |        |          |        |          |        |          |        |          |        |
|                                                         |        |          |        |          |        |          |        |          |        |
| Door adjustments                                        |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| FRP Personnel Doors                                     |        |          | *      |          | \$ *   |          | *      |          | *      |
|                                                         |        |          |        |          |        |          |        |          |        |
| Subtotal “Yet to Buy”                                   |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
|                                                         |        |          |        |          |        |          |        |          |        |
| LOR Amount = Contract<br>Amount + “Yet To Buys”         |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
|                                                         |        |          |        |          |        |          |        |          |        |
| Alternates                                              |        |          |        |          |        |          |        |          |        |
| BOND:                                                   |        |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
|                                                         |        |          |        |          |        |          |        |          |        |
| Alternate FRP door manufacturer                         |        |          | \$ (*) |          | *      |          | \$ (*) |          | \$ (*) |
| Install permanent cores rather<br>than deliver to Owner |        |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Alternate HM door manufacturer                          |        |          | *      |          | *      |          | \$ (*) |          | *      |
|                                                         |        |          |        |          |        |          |        |          |        |

## Unit Prices

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Specialty Doors  
083000, 083323,083326,111300

DATE: 2/21/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|                                                                         |                                          |        |                     |        |                                 |        |                     |        |                 |        |
|-------------------------------------------------------------------------|------------------------------------------|--------|---------------------|--------|---------------------------------|--------|---------------------|--------|-----------------|--------|
| Name:<br>Address:<br>Location:<br>Phone:<br>Fax:<br>Contact:<br>E-Mail: | Loading Dock Systems of<br>the Carolinas |        | ASI<br>Technologies |        | Passport Door & Dock<br>Systems |        | Dougherty Equipment |        | Arbon Equipment |        |
|                                                                         | ALTERNATE BID                            |        |                     |        |                                 |        |                     |        |                 |        |
|                                                                         | 919 329 8203                             |        | 760 518 8692        |        | 919 639 0334                    |        |                     |        |                 |        |
|                                                                         | 919 329 8205                             |        | 727 864 3585        |        | 919 639 8939                    |        |                     |        |                 |        |
|                                                                         | Jeff Cannon                              |        | Jeff Frederick      |        | Mark Kolosky                    |        | Ken Woods           |        | James Gardner   |        |
| Units                                                                   | Quantity                                 | Amount | Quantity            | Amount | Quantity                        | Amount | Quantity            | Amount | Quantity        | Amount |
|                                                                         |                                          |        |                     |        |                                 |        |                     |        |                 |        |
| 18                                                                      |                                          | *      | 18                  | \$ *   |                                 | *      |                     | *      |                 | *      |
| 6                                                                       |                                          | *      | 6                   | \$ *   |                                 | *      |                     | *      |                 | *      |
|                                                                         |                                          | *      |                     | *      |                                 | *      |                     | *      |                 | *      |
| 13                                                                      |                                          | *      |                     | *      | 13                              | \$ *   |                     | *      |                 | *      |
| 10                                                                      |                                          | *      |                     | *      |                                 | *      |                     | *      |                 | *      |
| 8                                                                       |                                          | *      |                     | *      |                                 | *      |                     | *      |                 | *      |
| 2                                                                       |                                          | *      |                     | *      |                                 | *      |                     | *      |                 | *      |
| 3                                                                       |                                          | *      |                     | *      |                                 | *      |                     | *      |                 | *      |
| 3                                                                       |                                          | *      |                     | *      |                                 | *      |                     | *      | 3               | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          |        |                     |        |                                 |        |                     |        |                 |        |
|                                                                         |                                          |        |                     | *      |                                 | \$ *   |                     |        |                 | \$ *   |
|                                                                         |                                          |        |                     | *      |                                 | \$ *   |                     |        |                 | \$ *   |
|                                                                         |                                          |        |                     | *      |                                 | \$ *   |                     |        |                 | \$ *   |
|                                                                         |                                          |        |                     | \$ *   |                                 | *      |                     |        |                 | *      |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | *      |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | *      |                                 | *      |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | *      |                                 | *      |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | *      |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | *      |                                 | *      |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |
|                                                                         |                                          | \$ *   |                     | \$ *   |                                 | \$ *   |                     | \$ *   |                 | \$ *   |



**PROJECT:**  
**PACKAGE/TRADE :**  
**SPEC SECTIONS:**  
**BUDGET COMPARISON**

**UNITED THERAPEUTICS**  
**Specialty Doors**  
**083000, 083323, 083326, 111300**

**DATE:** 2/21/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

## BID BREAKDOWN FORM

|                                              |               |                         |                                         |                            |                        |
|----------------------------------------------|---------------|-------------------------|-----------------------------------------|----------------------------|------------------------|
| <b>Loading Dock Systems of the Carolinas</b> |               | <b>ASI Technologies</b> | <b>Passport Door &amp; Dock Systems</b> | <b>Dougherty Equipment</b> | <b>Arbon Equipment</b> |
| Name:                                        |               |                         |                                         |                            |                        |
| Address:                                     | ALTERNATE BID |                         |                                         |                            |                        |
| Location:                                    |               |                         |                                         |                            |                        |
| Phone:                                       | 919 329 8203  | 760 518 8692            | 919 639 0334                            |                            |                        |
| Fax:                                         | 919 329 8205  | 727 864 3585            | 919 639 8939                            |                            |                        |
| Contact:                                     | Jeff Cannon   | Jeff Frederick          | Mark Kolosky                            | Ken Woods                  | James Gardner          |
| E-Mail:                                      |               |                         |                                         |                            |                        |

|                                               | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Alternates                                    |       |          |        |          |        |          |        |          |        |          |        |
| BOND:                                         |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Horizontal sliding Cleanseal             |       |          |        |          |        |          |        |          |        |          |        |
| 150 LXP                                       |       |          | \$ *   |          | \$ (*) |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Fabric rollup Cleanseal 115S             |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Stainless steel door jambs               |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Counter shutters by Cornell 2 ea         |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Rolling steel fire doors by Cornell 8 ea |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | *      |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Alt. Rolling steel doors by Cornell 10 ea     |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | *      |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Alt. Security grilles by Cornell 3 ea         |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | *      |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Alt. Stainless steel door jambs               |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Counter shutters by Cookson 1 ea         |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Rolling steel fire doors by Cookson 9 ea |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |
| Alt. Rolling steel doors by Cookson 8 ea      |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |
| Alt. Security grilles by Cookson 3 ea         |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |
| Alt. Stainless steel door jambs               |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Fabric rollup Protecdoor by Rite Hite    |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Stainless steel door jambs               |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Horizontal sliding Chase Durus 18 ea     |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Fabric rollup R-Bac 14 ea                |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |          | \$ *   |
| Alt. Aluminum rollup doors by Rytec 6 ea      |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |          | \$ *   |
| Alt. Stainless steel door jambs               |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Kelley hydraulic dock levelers 3 ea      |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Kelley truck restraints 3 ea             |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | *      |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Kelley dock seals 3 ea                   |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | *      |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Serco hydraulic dock levelers 3 ea       |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Serco truck restraints 3 ea              |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Alt. Serco dock seals 3 ea                    |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Alt. Poweramp hydraulic dock levelers 3 ea    |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alt. Poweramp truck restraints 3 ea           |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |          | \$ *   |
| Alt. Poweramp dock seals 3 ea                 |       |          |        |          |        |          |        |          |        |          |        |
|                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | *      |          | \$ *   |

### Unit Prices

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Glass and Glazing  
072100/084100/084233/084413  
084426/085123/088000/088400

DATE: 2/13/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

| BID BREAKDOWN FORM                                    |       |                          |                           |          |                        |          |        |
|-------------------------------------------------------|-------|--------------------------|---------------------------|----------|------------------------|----------|--------|
|                                                       |       | Name: SPS Corporation    | Galaxy Glass              |          | Ranger Glass           |          |        |
|                                                       |       | Address: 1229 Perry Road | 300 E. Industrial Park Dr |          | 19031 Aldine Westfield |          |        |
|                                                       |       | Location: Apex, NC 27502 | Manchester, NH 03109      |          | Houston, TX 71111      |          |        |
|                                                       |       | Phone: 919-367-8885      | 603-626-1800              |          | 281-821-3777           |          |        |
|                                                       |       | Fax: 919-367-0179        | 603-626-1830              |          | 281-821-3785           |          |        |
|                                                       |       | Contact: John Lynn       | Steve Amacio              |          | Omar Maalouf           |          |        |
|                                                       |       | E-Mail:                  |                           |          |                        |          |        |
|                                                       | Units | Quantity                 | Amount                    | Quantity | Amount                 | Quantity | Amount |
| Bid Breakdown                                         |       |                          |                           |          |                        |          |        |
| Curtainwall and exterior storefront                   | sf    |                          | \$ *                      |          | *                      | 29,000   | \$ *   |
| Interior storefront                                   | sf    |                          | \$ *                      |          |                        | 24,000   | \$ *   |
| Revolving doors                                       | sf    | 2                        | \$ *                      |          |                        | 2        | \$ *   |
| Integral window system glass only                     | sf    | 1,656                    | \$ *                      |          |                        | 1,626    | \$ *   |
| Door lites                                            | sf    | 72                       | \$ *                      |          |                        |          | \$ *   |
| Glass in steel window frames                          | sf    |                          | \$ *                      |          |                        | 770      | \$ *   |
| Final cleaning                                        | sf    |                          | \$ *                      |          |                        |          | \$ *   |
| Sneeze guard, glass shelves, glass ptn, glass counter | ls    |                          |                           |          |                        |          | \$ *   |
| Total Base Bid                                        |       |                          | \$ *                      |          | \$ *                   |          | \$ *   |
| Post Bid Adjustments                                  |       |                          |                           |          |                        |          |        |
| Post Bid Adjustments                                  |       |                          | \$ *                      |          | \$ *                   |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)            |       |                          |                           |          |                        |          |        |
|                                                       |       |                          | \$ *                      |          | \$ *                   |          | \$ *   |
| “Yet to Buy”                                          |       |                          |                           |          |                        |          |        |
| Final cleaning                                        |       |                          | *                         |          | \$ *                   |          | *      |
| Base flashing                                         |       |                          | *                         |          | \$ *                   |          | *      |
| Field tests                                           |       |                          | *                         |          | \$ *                   |          | *      |
| Factory tests                                         |       |                          | *                         |          | \$ *                   |          | *      |
| Subtotal “Yet to Buy”                                 |       |                          | \$ *                      |          | \$ *                   |          | \$ *   |
| LOR Amount = Contract Amount + “Yet To Buys”          |       |                          |                           |          |                        |          |        |
|                                                       |       |                          | \$ *                      |          | \$ *                   |          | \$ *   |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Glass and Glazing  
072100/084100/084233/084413  
084426/085123/088000/088400

DATE: 2/13/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                 |                           |                        |
|-----------|-----------------|---------------------------|------------------------|
| Name:     | SPS Corporation | Galaxy Glass              | Ranger Glass           |
| Address:  | 1229 Perry Road | 300 E. Industrial Park Dr | 19031 Aldine Westfield |
| Location: | Apex, NC 27502  | Manchester, NH 03109      | Houston, TX 71111      |
| Phone:    | 919-367-8885    | 603-626-1800              | 281-821-3777           |
| Fax:      | 919-367-0179    | 603-626-1830              | 281-821-3785           |
| Contact:  | John Lynn       | Steve Amacio              | Omar Maalouf           |
| E-Mail:   |                 |                           |                        |

|                                         | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| Alternates                              |       |          |        |          |        |          |        |
| BOND:                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Provide all glass in integral windows   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Alternate metal panel manufacturer      |       |          | *      |          | \$ *   |          | *      |
| Curtainwall and metal panel combination |       |          | *      |          | \$ *   |          | *      |
| Delete Sneeze guards                    |       |          | *      |          | \$ *   |          | \$ (*) |
| Delete Glass shelves at wet bars        |       |          | *      |          | \$ *   |          | \$ (*) |
| Delete Glass partition at beverage      |       |          | *      |          | \$ *   |          | *      |
| Delete Glass countertop at lobby        |       |          | *      |          | \$ *   |          | \$ (*) |
| Delete Glass shelves at reception       |       |          | *      |          | \$ *   |          | *      |
| 50 hour work week                       |       |          | \$ *   |          | \$ *   |          | *      |
| 60 hour work week                       |       |          | \$ *   |          | \$ *   |          | *      |
|                                         |       |          |        |          | \$ *   |          |        |
| Unit Prices                             |       |          |        |          |        |          |        |
| Head and sill flashing                  |       |          | *      |          | \$ *   |          | *      |
| Base flashing                           |       |          | *      |          | \$ *   |          | *      |
| Joint sealant                           |       |          | *      |          | \$ *   |          | *      |

| BID BREAKDOWN FORM                           |    |           |                     |                      |                         |        |          |        |    |   |
|----------------------------------------------|----|-----------|---------------------|----------------------|-------------------------|--------|----------|--------|----|---|
|                                              |    | Name:     | Environamics        | Precision Walls      | Shields, Inc.           |        |          |        |    |   |
|                                              |    | Address:  | 1401 Freedom Drive  | 1230 NE Maynard Road | 2625 Hope Church Rd     |        |          |        |    |   |
|                                              |    | Location: | Charlotte, NC 28208 | Cary, NC 27513       | Winston Salem, NC 27103 |        |          |        |    |   |
|                                              |    | Phone:    | 704-376-3613        | 919-832-0380         | 336-765-9040            |        |          |        |    |   |
|                                              |    | Fax:      | 704-376-0246        | 919-459-2982         | 336-765-3715            |        |          |        |    |   |
|                                              |    | Contact:  | Lou Santospago      | Matt Chance          | Mike Chambers           |        |          |        |    |   |
|                                              |    | E-Mail:   |                     |                      |                         |        |          |        |    |   |
|                                              |    | Units     | Quantity            | Amount               | Quantity                | Amount | Quantity | Amount |    |   |
| Bid Breakdown                                |    |           |                     |                      |                         |        |          |        |    |   |
| Drywall partitions                           | sf | 471,683   | \$                  | *                    |                         | \$     | *        | \$     | *  |   |
| Drywall ceilings and soffits                 | sf | 16,105    | \$                  | *                    |                         |        | 40,754   | \$     | *  |   |
| Install HM door and window frames            | sf | 229       | \$                  | *                    |                         |        | 242      | \$     | *  |   |
| Install metal deck on terraces               | sf | 1         | \$                  | *                    |                         |        | 2,500    | \$     | *  |   |
| Interior preformed coves                     | sf | 5,674     | \$                  | *                    |                         |        | 292      | \$     | *  |   |
| Temporary doors                              | sf | 20        | \$                  | *                    |                         |        |          | \$     | *  |   |
| Expansion joints                             | ls |           |                     |                      |                         |        | 406      | \$     | *  |   |
| Wall protection sheets                       | ls |           |                     |                      |                         |        | 4,940    | \$     | *  |   |
| Other                                        | ls |           |                     |                      |                         |        |          | \$     | *  |   |
| Total Base Bid                               |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Post Bid Adjustments                         |    |           |                     |                      |                         |        |          |        |    |   |
| Post Bid Adjustments                         |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| COMPARISON TOTAL (Initial Contract Amount)   |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| “Yet to Buy”                                 |    |           |                     |                      |                         |        |          |        |    |   |
| Vacuuming floor track                        |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Benchmark wall finish                        |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Door adjustments                             |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Construction openings                        |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Kydex caulking                               |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Blocking for trades                          |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Subtotal “Yet to Buy”                        |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| LOR Amount = Contract Amount + “Yet To Buys” |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| Alternates                                   |    |           |                     |                      |                         |        |          |        |    |   |
| BOND:                                        |    |           | \$                  | *                    |                         | \$     | *        |        | \$ | * |
| 50 hour work week                            |    |           | \$                  | *                    |                         | *      |          | \$     | *  |   |
| 60 hour work week                            |    |           | \$                  | *                    |                         | *      |          | \$     | *  |   |
| Unit Prices                                  |    |           |                     |                      |                         |        |          |        |    |   |
| Additional wall penetrations                 |    |           | *                   |                      | *                       |        | \$       | *      |    |   |

PROJECT:  
 PACKAGE/TRADE :  
 SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
 Tile  
 093000

DATE: 2/23/2007  
 BID TAKER: M. Tylee  
 DPR JOB #: 16-26002-01  
 PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|           |                               |                            |
|-----------|-------------------------------|----------------------------|
| Name:     | <b>Tilesetters of Raleigh</b> | <b>David Allen Company</b> |
| Address:  | 5411 Old Poole Road           | 151 Rush Steet             |
| Location: | Raleigh, NC 27610             | Raleigh, NC 27601          |
| Phone:    | 919-231-7420                  | 919-821-7100               |
| Fax:      | 919-231-7405                  | 919-821-7137               |
| Contact:  | Lewis Hunter                  | Don Scott                  |
| E-Mail:   |                               |                            |

|                                                       | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                  |       |          |        |          |        |          |        |
| Ceramic floor tile                                    | sf    | 3,399    | \$ *   | 3,300    | \$ *   |          |        |
| Ceramic base                                          | sf    | 1,232    | \$ *   | 1,200    | \$ *   |          |        |
| Pool ledges and sides                                 | sf    | 2,079    | \$ *   | 1,719    | \$ *   |          |        |
| Waterproofing membrane                                | sf    | 3,399    | \$ *   | 3,300    | \$ *   |          |        |
| Joint sealants                                        | sf    |          | *      |          | *      |          |        |
| Other                                                 | sf    |          |        |          |        |          |        |
| <b>Total Base Bid</b>                                 |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Post Bid Adjustments</b>                           |       |          |        |          |        |          |        |
| Delete pool tile                                      |       |          | \$ (*) |          | \$ (*) |          |        |
| 0                                                     |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Post Bid Adjustments</b>                           |       |          | \$ (*) |          | \$ (*) |          | \$ 0   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>     |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>“Yet to Buy”</b>                                   |       |          |        |          |        |          |        |
| <b>Subtotal “Yet to Buy”</b>                          |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>   |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Alternates</b>                                     |       |          |        |          |        |          |        |
| BOND:                                                 |       |          | \$ *   |          | \$ *   |          |        |
| Provide ceramic tile floor, base, wainscot in showers |       |          | \$ *   |          | \$ *   |          |        |
| Delete pool tile                                      |       |          | \$ (*) |          | \$ (*) |          |        |
| <b>Unit Prices</b>                                    |       |          |        |          |        |          |        |
| Ceramic floor tile                                    |       |          | \$ *   |          | \$ *   |          |        |
| Ceramic base                                          |       |          | \$ *   |          | \$ *   |          |        |
| Ceramic wall tile                                     |       |          | \$ *   |          | \$ *   |          |        |
| Waterproofing membrane                                |       |          | \$ *   |          | \$ *   |          |        |
| Backing board                                         |       |          | \$ *   |          | \$ *   |          |        |

PROJECT:  
 PACKAGE/TRADE :  
 SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
 Acoustical  
 054000/072100/092213/092900  
 095113/095133/095424/095443

DATE: 2/14/2007  
 BID TAKER: M. Tylee  
 DPR JOB #: 16-26002-01  
 PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|           |                     |                        |                        |
|-----------|---------------------|------------------------|------------------------|
| Name:     | <b>Environamics</b> | <b>Precision Walls</b> | <b>Acoustics, Inc.</b> |
| Address:  | 1401 Freedom Drive  | 1230 NE Maynard Road   | 7730 England Street    |
| Location: | Charlotte, NC 28208 | Cary, NC 27513         | Charlotte, NC 28273    |
| Phone:    | 704-376-3613        | 919-832-0380           | 704-523-4316           |
| Fax:      | 704-376-0246        | 919-459-2982           | 704-522-8164           |
| Contact:  | Lou Santospago      | Matt Chance            | Phil Ricciardi         |
| E-Mail:   |                     |                        |                        |

|                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                |       |          |        |          |        |          |        |
| Acoustical ceilings                                 | sf    |          | *      |          | \$ *   | 93,800   | \$ *   |
| Wood panel ceilings                                 | sf    |          |        |          | \$ *   | 3,200    | \$ *   |
| Fabric ceilings                                     | sf    |          |        |          | \$ *   | 1,800    | \$ *   |
| Acoustic wall panels                                | sf    |          |        |          | \$ *   | 1,500    | \$ *   |
| Joint sealants                                      | sf    |          |        |          | \$ *   |          | \$ *   |
| Domes                                               | sf    |          |        |          | \$ *   |          | \$ *   |
| Other                                               | sf    |          |        |          |        |          | \$ *   |
| <b>Total Base Bid</b>                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                         |       |          |        |          |        |          |        |
|                                                     |       | 0        | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                                 |       |          |        |          |        |          |        |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Alternates</b>                                   |       |          |        |          |        |          |        |
| <b>BOND:</b>                                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
|                                                     |       |          | \$ *   |          |        |          |        |
| Delete acoustical wall panels                       |       |          | \$ *   |          | \$ (*) |          | \$ (*) |
| Delete seismic supports                             |       |          | \$ *   |          | *      |          | *      |
|                                                     |       |          | \$ *   |          |        |          |        |
| <b>Unit Prices</b>                                  |       |          |        |          |        |          |        |
| ACT-1                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| ACT-2                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| ACT-3                                               |       |          | \$ *   |          | *      |          | *      |
| ACT-4                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| ACT-5                                               |       |          | \$ *   |          | *      |          | *      |
| Wood panel ceiling                                  |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Acoustical wall panels                              |       |          | \$ *   |          | \$ *   |          | \$ *   |

| BID BREAKDOWN FORM                                                            |       |                        |        |                  |        |                         |        |
|-------------------------------------------------------------------------------|-------|------------------------|--------|------------------|--------|-------------------------|--------|
| Name:                                                                         |       | Bonitz Flooring        |        | Allison Brothers |        | Brock Contract Flooring |        |
| Address:                                                                      |       | 10701 World Trade Blvd |        | 4017 Laurel Lane |        | 0                       |        |
| Location:                                                                     |       | Raleigh, NC 27617      |        | Durham, NC 27703 |        | Raleigh, NC 27624       |        |
| Phone:                                                                        |       | 919-361-1528           |        | 919-596-7996     |        | 919-570-1300            |        |
| Fax:                                                                          |       | 919-361-1501           |        | 919-596-0554     |        | 919-570-1305            |        |
| Contact:                                                                      |       | Dale Lambe             |        | Bill Hollcraft   |        | Damon Brock             |        |
| E-Mail:                                                                       |       |                        |        |                  |        |                         |        |
|                                                                               | Units | Quantity               | Amount | Quantity         | Amount | Quantity                | Amount |
| Bid Breakdown                                                                 |       |                        |        |                  |        |                         |        |
| Wood floor                                                                    | sf    | 1                      | \$ *   | 8,000            | \$ *   |                         | *      |
| Resilient Tile                                                                | sf    | 6,975                  | \$ *   | 7,200            | \$ *   |                         |        |
| Resilient Sheet Floor                                                         | sf    | 9,900                  | \$ *   | 7,200            | \$ *   |                         |        |
| Resilient Tile (Static Dissipative)                                           | sf    | 1,125                  | \$ *   | 900              | \$ *   |                         |        |
| Resilient Base                                                                | lf    | 15,480                 | \$ *   | 19,440           | \$ *   |                         |        |
| Carpet Tiles                                                                  | sy    | 8,500                  | \$ *   | 8,600            | \$ *   |                         |        |
| Rubber Base                                                                   | ls    | 700                    | \$ *   | incl             |        |                         |        |
| Other                                                                         | ls    | 1                      |        | incl             |        |                         |        |
| Total Base Bid                                                                |       |                        | \$ *   |                  | \$ *   |                         | \$ *   |
| Post Bid Adjustments                                                          |       |                        |        |                  |        |                         |        |
| Post Bid Adjustments                                                          |       |                        | \$ *   |                  | \$ *   |                         | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)                                    |       |                        | \$ *   |                  | \$ *   |                         | \$ *   |
| “Yet to Buy”                                                                  |       |                        |        |                  |        |                         |        |
| Final cleaning and waxing                                                     |       |                        | \$ *   |                  | \$ *   |                         | \$ *   |
| Stair risers, treads, nosings                                                 |       |                        | *      |                  | *      |                         |        |
| Subtotal “Yet to Buy”                                                         |       |                        | \$ *   |                  | \$ *   |                         | \$ *   |
| LOR Amount = Contract Amount + “Yet To Buys”                                  |       |                        |        |                  |        |                         |        |
|                                                                               |       |                        | \$ *   |                  | \$ *   |                         | \$ *   |
| Alternates                                                                    |       |                        |        |                  |        |                         |        |
| BOND:                                                                         |       |                        | \$ *   |                  | \$ *   |                         |        |
| Delete wood floor in Library; add carpet tile and base                        |       |                        | \$ (*) |                  | \$ (*) |                         |        |
| Delete wood floor in Corridor 20112 and Entry 20113; add carpet tile and base |       |                        | \$ (*) |                  | \$ (*) |                         |        |
| Unit Prices                                                                   |       |                        |        |                  |        |                         |        |
| Wood floor                                                                    |       |                        | *      |                  | \$ *   |                         |        |
| Wood base                                                                     |       |                        | *      |                  | \$ *   |                         |        |
| Resilient Tile                                                                |       |                        | \$ *   |                  | \$ *   |                         |        |
| Sheet Vinyl Floor                                                             |       |                        | \$ *   |                  | \$ *   |                         |        |
| Resilient Tile (Static Dissipative)                                           |       |                        | \$ *   |                  | \$ *   |                         |        |
| Resilient Base                                                                |       |                        | \$ *   |                  | \$ *   |                         |        |
| Carpet Tile                                                                   |       |                        | \$ *   |                  | \$ *   |                         |        |
| Leveling Compound                                                             |       |                        | \$ *   |                  | \$ *   |                         |        |
| Vapor Retarder Membrane                                                       |       |                        | *      |                  | *      |                         |        |
| Rubber Base                                                                   |       |                        | \$ *   |                  | *      |                         |        |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Epoxy Flooring  
096623/096723

DATE: 2/22/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                           |                     |                       |                      |               |
|-----------|---------------------------|---------------------|-----------------------|----------------------|---------------|
| Name:     | Cornerstone Flooring      | David Allen Company | Bonitz Floor Coatings | Surface Concepts     | Stonhard      |
| Address:  | 750 Patrick Place, Bldg A | 151 Rush St.        | 4539 Enterprise Dr NW | 2445 Burch Bridge    | 0             |
| Location: | Brownsburg, IN 46112      | Raleigh, NC 27611   | Concord, NC 28027     | Burlington, NC 27217 | 0             |
| Phone:    | 317-852-6522              | 919-821-7100        | 704-262-6400          | 336-570-0872         | 800-854-0310  |
| Fax:      | 317-852-6433              | 919-821-7137        | 704-262-6401          | 336-570-2818         | 856-321-7510  |
| Contact:  | Jaime Goldenburg          | Don Scott           | Dale Lambe            | Max McDonald         | Glenn Murrell |
| E-Mail:   |                           |                     |                       |                      |               |

|                                                                                                                                                   | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                                                                                                              |       |          |        |          |        |          |        |          |        |          |        |
| Resinous Floor                                                                                                                                    | sf    | 35,900   | \$ *   |          | *      |          | *      | 47,600   | \$ *   | 43,221   | \$ *   |
| Resinous Base                                                                                                                                     | lf    | 5,450    | \$ *   |          | *      |          | *      | 13,450   | \$ *   | 9,384    | \$ *   |
| Epoxy Terrazzo Floor                                                                                                                              | sf    | 9,530    | \$ *   | 10,278   | \$ *   | 39,900   | \$ *   |          | *      |          | *      |
| Epoxy Terrazzo Base                                                                                                                               | lf    | 1,700    | \$ *   | 758      | \$ *   | 6,000    | \$ *   |          | *      |          | *      |
| Waterproofing or Grout                                                                                                                            | sf    |          | *      |          | *      |          | *      |          | *      |          | *      |
| Joint Sealants                                                                                                                                    | lf    |          | *      |          | *      |          | *      | 3,000    | \$ *   |          | *      |
| Other                                                                                                                                             | ls    |          |        |          |        |          |        |          |        |          |        |
| Total Base Bid                                                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                                                                                                                       |       |          |        |          |        |          |        |          |        |          |        |
| Post Bid Adjustments                                                                                                                              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)                                                                                                        |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>"Yet to Buy"</b>                                                                                                                               |       |          |        |          |        |          |        |          |        |          |        |
| Final cleaning and waxing                                                                                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Waterproofing or Grout beneath resinous flooring                                                                                                  |       | 35,900   | \$ *   |          | *      |          | *      |          | *      |          | *      |
| Waterproofing or Grout beneath epoxy terrazzo                                                                                                     |       | 9,530    | \$ *   |          | \$ *   |          | *      |          | *      |          | *      |
| Joint sealants at resinous 6700 lf                                                                                                                |       |          | \$ *   |          | *      |          | *      |          | *      |          | *      |
| Joint sealants at epoxy terrazzo 1050 lf                                                                                                          |       |          | \$ *   |          | \$ *   |          | *      |          | *      |          | *      |
| Hoisting                                                                                                                                          |       |          | *      |          | *      |          | *      |          | *      |          | *      |
| Subtotal "Yet to Buy"                                                                                                                             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| LOR Amount = Contract Amount + "Yet To Buys"                                                                                                      |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Alternates</b>                                                                                                                                 |       |          |        |          |        |          |        |          |        |          |        |
| BOND:                                                                                                                                             |       |          | \$ *   |          | \$ *   |          |        |          |        |          |        |
| Change floor and base at Employee Entrance 10233, Control Entry 10236, Vestibule 10245, and Stair 10245 from epoxy terrazzo to resinous flooring. |       |          |        |          |        |          |        |          |        |          |        |
|                                                                                                                                                   |       |          | \$ (*) |          | \$ (*) |          | *      |          | *      |          | \$ *   |
| <b>Unit Prices</b>                                                                                                                                |       |          |        |          |        |          |        |          |        |          |        |
| Resinous Floor                                                                                                                                    |       |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |          | \$ *   |
| Resinous Base                                                                                                                                     |       |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |          | \$ *   |
| Epoxy Terrazzo Floor                                                                                                                              |       |          | \$ *   |          | \$ *   |          | *      |          | *      |          | *      |
| Epoxy Terrazzo Base                                                                                                                               |       |          | \$ *   |          | \$ *   |          | *      |          | *      |          | *      |
| Waterproofing                                                                                                                                     |       |          | \$ *   |          | *      |          | *      |          | *      |          | *      |
| Grout Bed                                                                                                                                         |       |          | *      |          | *      |          | *      |          | *      |          | *      |
| Floor Prep                                                                                                                                        |       |          | *      |          | *      |          | *      |          | \$ *   |          | \$ *   |
| Leveling Compound                                                                                                                                 |       |          | *      |          | *      |          | *      |          | \$ *   |          | \$ *   |
| Other                                                                                                                                             |       |          | *      |          | *      |          | *      |          | \$ *   |          | \$ *   |
| Other                                                                                                                                             |       |          | *      |          | *      |          | *      |          | *      |          | *      |



PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Painting and Wallcovering  
099323/099600

DATE: 2/16/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|                                                                                                                           |       |          |        |          |        |          |        |          |        |          |        |
|---------------------------------------------------------------------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Name: Colin Fairweather & Sons    Langdon-McKenzie    McKenzie Paint Company    Kenna Custom Painting    Pro-Tec Finishes |       |          |        |          |        |          |        |          |        |          |        |
| Address: 514 S. Harrington St.    1403 Mechanical Blvd    8545 Highway 52    2517 Noblin Road    5200 Trademark Drive     |       |          |        |          |        |          |        |          |        |          |        |
| Location: Raleigh, NC 27601    Garner, NC 27529    Rockwell, NC 28138    Raleigh, NC 27604    Raleigh, NC 27610           |       |          |        |          |        |          |        |          |        |          |        |
| Phone: 919-828-9220    919-662-0455    704-209-3420    919-855-0082    919-255-1510                                       |       |          |        |          |        |          |        |          |        |          |        |
| Fax: 919-828-0915    919-662-8976    704-209-3422    919-855-0073    919-255-1650                                         |       |          |        |          |        |          |        |          |        |          |        |
| Contact: Patt Martin    Paul Nappen    Shane Bolton    Tom Kenna    Jerry Cacchione                                       |       |          |        |          |        |          |        |          |        |          |        |
| E-Mail:                                                                                                                   |       |          |        |          |        |          |        |          |        |          |        |
|                                                                                                                           | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| Bid Breakdown                                                                                                             |       |          |        |          |        |          |        |          |        |          |        |
| Drywall                                                                                                                   | sf    | 208,593  | \$ *   | 216,487  | \$ *   | 247,584  | \$ *   | 270,000  | \$ *   | 333,500  | \$ *   |
| Doors and Frames                                                                                                          | ea    | 255      | \$ *   | 244      | \$ *   | 130      | \$ *   | 165      | \$ *   | 164      | \$ *   |
| Metals                                                                                                                    | lf    | 2,080    | \$ *   | 16,744   | \$ *   | 1        | \$ *   | 1        | \$ *   | 1        | \$ *   |
| Exposed Structure                                                                                                         | lf    | 0        | \$ *   | 436      | \$ *   | 4,446    | \$ *   | 80,000   | \$ *   | 0        | \$ *   |
| Masonry                                                                                                                   | lf    | 25,911   | \$ *   | 64,617   | \$ *   | 20,568   | \$ *   | 41,000   | \$ *   | 59,600   | \$ *   |
| VWC                                                                                                                       | ls    | 13,375   | \$ *   | 16,740   | \$ *   |          | \$ *   | 1,400    | \$ *   |          | \$ *   |
| FWC                                                                                                                       | ls    | 2,901    | \$ *   | incl     |        | incl     |        | 370      | \$ *   | incl     |        |
| Exterior Masonry                                                                                                          | ls    | 5,670    | \$ *   | incl     |        | ?        |        |          | \$ *   | incl     |        |
| Mobilization, Safety, Equipment, etc.                                                                                     | ls    |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Wood panels                                                                                                               | ls    |          |        |          |        |          |        | 900      | \$ *   |          |        |
| Total Base Bid                                                                                                            | ls    |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Post Bid Adjustments                                                                                                      |       |          |        |          |        |          |        |          |        |          |        |
| Omit exterior CMU, increase GWB to deck, exposed structure, wallcovering                                                  |       |          | \$ *   |          | \$ *   |          | *      |          | \$ (*) |          | \$ *   |
| Post Bid Adjustments                                                                                                      |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ (*) |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)                                                                                |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| "Yet to Buy"                                                                                                              |       |          |        |          |        |          |        |          |        |          |        |
| Pipe painting 8500 lf                                                                                                     |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| 0                                                                                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Subtotal "Yet to Buy"                                                                                                     |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| LOR Amount = Contract Amount + "Yet To Buys"                                                                              |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Alternates                                                                                                                |       |          |        |          |        |          |        |          |        |          |        |
| BOND:                                                                                                                     |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Concrete coating on balcony                                                                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Finish coats on gypsum plaster domes                                                                                      |       |          | *      |          | \$ *   |          | *      |          | \$ *   |          | \$ *   |
| Delete intermediate and finish from steel                                                                                 |       |          | \$ (*) |          | \$ (*) |          | \$ (*) |          | \$ (*) |          | \$ *   |
| Unit Prices                                                                                                               |       |          |        |          |        |          |        |          |        |          |        |
| Door openings                                                                                                             |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Drywall                                                                                                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Masonry                                                                                                                   |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Exposed Structure                                                                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Wood panels                                                                                                               |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Pipe up to 2" diameter                                                                                                    |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Pipe 2"-4" diameter                                                                                                       |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Pipe 4"-6" diameter                                                                                                       |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Pipe 6"-8" diameter                                                                                                       |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| Ductwork                                                                                                                  |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |
| 0                                                                                                                         |       |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |          | \$ *   |

PROJECT:  
 PACKAGE/TRADE :  
 SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
 Architectural Specialties  
 102113.19/104400

DATE: 2/12/2007  
 BID TAKER: M. Tylee  
 DPR JOB #: 16-26002-01  
 PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|           |                                |                             |
|-----------|--------------------------------|-----------------------------|
| Name:     | <b>Engineering Specialties</b> | <b>Martin Architectural</b> |
| Address:  | 801 Mt. Vernon Rd              | 511 E. Chatham St.          |
| Location: | Raleigh, NC 27607              | Cary, NC 27513              |
| Phone:    | 919-851-8448                   | 919-469-9661                |
| Fax:      | 919-851-8073                   | 919-469-9630                |
| Contact:  | Bob Betz                       | Steve Newbern               |
| E-Mail:   |                                |                             |

|                                                     | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount  |
|-----------------------------------------------------|-------|----------|--------|----------|--------|----------|---------|
| <b>Bid Breakdown</b>                                |       |          |        |          |        |          |         |
| Toilet Compartments                                 | ea    | 24       | \$ *   | 24       | \$ *   |          |         |
| Urinal Screens                                      | ea    | 4        | \$ *   | 4        | \$ *   |          |         |
| Shower Stalls                                       | ea    | 16       | \$ *   | 16       | \$ *   |          |         |
| Toilet Accessories                                  | ea    |          | \$ *   | 387      | \$ *   |          |         |
| Fire Extinguishing                                  | ea    |          | \$ *   |          | \$ *   |          |         |
| Installation of above                               | ls    | 1        | \$ *   |          | \$ *   |          |         |
| <b>Total Base Bid</b>                               |       |          | \$ *   |          | \$ *   |          | \$ 0    |
| <b>Post Bid Adjustments</b>                         |       |          |        |          |        |          |         |
| <b>Post Bid Adjustments</b>                         |       |          | \$ *   |          | \$ *   |          | \$ 0    |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | \$ *   |          | \$ *   |          | \$ 0    |
| <b>“Yet to Buy”</b>                                 |       |          |        |          |        |          |         |
| Fire Extinguishers and Cabinets 63 ea               |       |          | \$ *   |          | \$ *   |          |         |
| Shower stalls 16 ea                                 |       |          | \$ *   |          | \$ *   |          |         |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | \$ *   |          | \$ *   |          | \$ 0    |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | \$ *   |          | \$ *   |          | \$ 0    |
| <b>Alternates</b>                                   |       |          |        |          |        |          |         |
| BOND:                                               |       |          | \$ *   |          | \$ *   |          |         |
| Delete Shower Stalls                                |       |          | *      |          | *      |          |         |
| <b>Unit Prices</b>                                  |       |          |        |          |        |          |         |
| Toilet compartments                                 |       |          | *      |          | *      |          | \$ 0.00 |
| Handicap Toilet compartments                        |       |          | *      |          | *      |          | \$ 0.00 |
| Urinal screens                                      |       |          | *      |          | *      |          | \$ 0.00 |
| Fire Extinguishers                                  |       |          | *      |          | *      |          | \$ 0.00 |
| Fire Extinguisher Cabinets                          |       |          | *      |          | *      |          | \$ 0.00 |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Folding Partitions  
102226.13/102226.33

DATE: 2/12/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

Name: Precision Walls Acousti  
Address:  
Location: Cary, NC 27513 Raleigh, NC  
Phone:  
Fax:  
Contact: Len Rothstein Paul Camardella  
E-Mail:

|                                              | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|----------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| Bid Breakdown                                |       |          |        |          |        |          |        |
| Accordion partitions                         | ea    | 2        | \$ *   | 2        | *      |          |        |
| Operable partitions                          | ea    | 2        | \$ *   | 2        |        |          |        |
| Total Base Bid                               |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| Post Bid Adjustments                         |       |          |        |          |        |          |        |
|                                              |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| Post Bid Adjustments                         |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| COMPARISON TOTAL (Initial Contract Amount)   |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| “Yet to Buy”                                 |       |          |        |          |        |          |        |
| Subtotal “Yet to Buy”                        |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| LOR Amount = Contract Amount + “Yet To Buys” |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| Alternates                                   |       |          |        |          |        |          |        |
| BOND:                                        |       |          |        |          |        |          |        |
| Delete Accordion Partitions                  |       |          | \$ (*) |          |        |          |        |
| Provide alt mfr for accordion partitions     |       |          | *      |          |        |          |        |
| Provide alt mfr for operable partitions      |       |          | *      |          |        |          |        |
| Unit Prices                                  |       |          |        |          |        |          |        |
| Accordion partition                          |       |          | \$ *   |          |        |          |        |
| Operable partition                           |       |          | \$ *   |          |        |          |        |
| Other                                        |       |          | \$ *   |          |        |          |        |

BID BREAKDOWN FORM

Name: Engineering Specialties  
Address: 801 Mt. Vernon Road  
Location: Raleigh, NC 27607  
Phone: 919-851-8448  
Fax: 919-851-8073  
Contact: Bob Betz  
E-Mail:

Martin Architectural  
  
Cary, NC 27513  
  
Heather

Andrews & Hamilton  
  
Raleigh, NC  
  
Bernie Andrews

|                                                | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| Bid Breakdown                                  |       |          |        |          |        |          |        |
| Single tier lockers                            | ea    | 0        | \$ *   |          |        |          |        |
| Double tier lockers                            | ea    | 90       | \$ *   |          |        |          |        |
| Total Base Bid                                 |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Post Bid Adjustments                           |       |          |        |          |        |          |        |
| Post Bid Adjustments                           |       |          | \$ *   |          | \$ *   |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)     |       |          | \$ *   |          | \$ *   |          | \$ *   |
| “Yet to Buy”                                   |       |          |        |          |        |          |        |
| Subtotal “Yet to Buy”                          |       |          | \$ *   |          | \$ *   |          | \$ *   |
| LOR Amount = Contract Amount + “Yet To Buys”   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| Alternates                                     |       |          |        |          |        |          |        |
| BOND:                                          |       |          | \$ *   |          |        |          |        |
| Provide lockers in factory custom color        |       |          |        |          | *      |          |        |
| Furnish and install metal lockers from alt mfr |       |          |        |          | *      |          |        |
| Unit Prices                                    |       |          |        |          |        |          |        |
| Single tier lockers                            |       |          | \$ *   |          |        |          |        |
| Double tier lockers                            |       |          | \$ *   |          |        |          |        |
| 6’ Maple bench with stainless steel legs       |       |          | \$ *   |          |        |          |        |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Wire Partitions  
111900

DATE: 2/12/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                         |                          |                    |
|-----------|-------------------------|--------------------------|--------------------|
| Name:     | Engineering Specialties | California Wire Products | Andrews & Hamilton |
| Address:  | 801 Mt. Vernon Rd       | 1128 W Bradford Circle   | 0                  |
| Location: | Raleigh, NC 27607       | Corona, CA 92882         | Raleigh, NC        |
| Phone:    | 919-851-8448            | 800-486-7730             | 0                  |
| Fax:      | 919-851-8073            | 951-735-1070             | 0                  |
| Contact:  | Bob Betz                | Bob Toole                | Bernie Andrews     |
| E-Mail:   |                         |                          |                    |

|                                              | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|----------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                         |       |          |        |          |        |          |        |
| Wire partitions                              | sf    | 1,848    | \$ *   | 1,848    | \$ *   |          |        |
| Sliding gates                                | ea    | 2        | *      |          | *      |          |        |
| Installation                                 | ea    | 1        | *      |          | *      |          |        |
| Total Base Bid                               |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>Post Bid Adjustments</b>                  |       |          |        |          |        |          |        |
| Installation                                 |       |          | *      |          | *      |          |        |
| Post Bid Adjustments                         |       |          | \$ *   |          | \$ *   |          | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)   |       |          | \$ *   |          | \$ *   |          | \$ *   |
| <b>“Yet to Buy”</b>                          |       |          |        |          |        |          |        |
| Installation                                 |       |          | *      |          | *      |          |        |
| Subtotal “Yet to Buy”                        |       |          | \$ *   |          | \$ *   |          | \$ *   |
| LOR Amount = Contract Amount + “Yet To Buys” |       |          | \$ *   |          | \$ *   |          | \$ *   |

Alternates

|                                        |  |  |      |  |  |  |  |
|----------------------------------------|--|--|------|--|--|--|--|
| BOND:                                  |  |  |      |  |  |  |  |
|                                        |  |  |      |  |  |  |  |
| Provide wire partition in custom color |  |  | \$ * |  |  |  |  |
| Provide wire partition from alt mfr    |  |  | *    |  |  |  |  |

Unit Prices

|                |  |
|----------------|--|
| Wire partition |  |
| Sliding gate   |  |
| Ceiling panels |  |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Lab Casework  
123553.13

DATE: 2/12/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                         |                 |                       |
|-----------|-------------------------|-----------------|-----------------------|
| Name:     | Nycom, Inc.             | Gallagher Stone | Atlantic Lab Products |
| Address:  | 2415 Presidential Drive | 0               | 0                     |
| Location: | Durham, NC 27703        | Statesville, NC | Sumter, SC            |
| Phone:    | 919-957-9545            | 919-784-0583    | 0                     |
| Fax:      | 919-957-3602            | 919-784-0585    | 0                     |
| Contact:  | Jonathan Nystrom        | Craig Krist     | Walker Jones          |
| E-Mail:   |                         |                 |                       |

|                                                     | Units | Quantity | Amount      | Quantity | Amount      | Quantity | Amount      |
|-----------------------------------------------------|-------|----------|-------------|----------|-------------|----------|-------------|
| <b>Bid Breakdown</b>                                |       |          |             |          |             |          |             |
| Laboratory Casework                                 | sf    | 1        | \$ *        | 1        | \$ *        |          |             |
| Fume Hoods                                          | ea    | 6        | \$ *        | 6        | \$ *        |          |             |
| Biological Safety Cabinets                          | ea    | 1        | \$ *        | 1        | \$ *        |          |             |
| Pass Thrus                                          | ea    | 3        | \$ *        | 4        | \$ *        |          |             |
| <b>Total Base Bid</b>                               |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ *</b> |
| <b>Post Bid Adjustments</b>                         |       |          |             |          |             |          |             |
| <b>Post Bid Adjustments</b>                         |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ *</b> |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>   |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ *</b> |
| <b>“Yet to Buy”</b>                                 |       |          |             |          |             |          |             |
| Protection                                          |       |          | \$ *        |          | \$ *        |          |             |
| <b>Subtotal “Yet to Buy”</b>                        |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ *</b> |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b> |       |          | <b>\$ *</b> |          | <b>\$ *</b> |          | <b>\$ *</b> |
| <b>Alternates</b>                                   |       |          |             |          |             |          |             |
| <b>BOND:</b>                                        |       |          |             |          |             |          |             |
| Delete biological safety cabinets                   |       |          | \$ (*)      |          | \$ (*)      |          |             |
| Delete pass thru                                    |       |          | \$ (*)      |          | \$ (*)      |          |             |
| <b>Unit Prices</b>                                  |       |          |             |          |             |          |             |
| Lab fixtures (furnish only)                         |       |          | \$ *        |          | *           |          |             |

PROJECT:  
PACKAGE/TRADE :  
SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
Seating  
126112

DATE: 2/20/2007  
BID TAKER: M. Tylee  
DPR JOB #: 16-26002-01  
PRECON JOB #: 07-001

BID BREAKDOWN FORM

|           |                      |                     |
|-----------|----------------------|---------------------|
| Name:     | KI                   | Universal Equipment |
| Address:  | 5308 Southwind Rd    | Reedy Creek Rd      |
| Location: | Greensboro, NC 27455 | Cary, NC 27513      |
| Phone:    | 336-288-0220         | 0                   |
| Fax:      | 336-458-9500         | 0                   |
| Contact:  | Doug Fairburn        | Lee Ritsema         |
| E-Mail:   |                      |                     |

|                                                                                                                             | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-----------------------------------------------------------------------------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                                                                                        |       |          |        |          |        |          |        |
| Seating                                                                                                                     | ea    | 162      | \$ *   | 162      | \$ *   |          |        |
| Installation                                                                                                                | ea    | 162      | \$ *   | 162      | \$ *   |          |        |
| <b>Total Base Bid</b>                                                                                                       |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Post Bid Adjustments</b>                                                                                                 |       |          |        |          |        |          |        |
| <b>Post Bid Adjustments</b>                                                                                                 |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>                                                                           |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>“Yet to Buy”</b>                                                                                                         |       |          |        |          |        |          |        |
| <b>Subtotal “Yet to Buy”</b>                                                                                                |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>                                                                         |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Alternates</b>                                                                                                           |       |          |        |          |        |          |        |
| <b>BOND:</b>                                                                                                                |       |          | \$ *   |          | \$ *   |          |        |
| Provide uprights in custom color                                                                                            |       |          | \$ *   |          | \$ *   |          |        |
| Provide back cushion assembly, arm caps, and end caps in least costly finish of those listed on page 5 of the specification |       |          | \$ (*) |          | \$ *   |          |        |
| Provide seating from an alternate manufacturer                                                                              |       |          | \$ (*) |          | \$ *   |          |        |
| <b>Unit Prices</b>                                                                                                          |       |          |        |          |        |          |        |
| Seating                                                                                                                     |       |          | \$ *   |          |        |          |        |
| ADA Seating                                                                                                                 |       |          | \$ *   |          |        |          |        |

PROJECT:  
 PACKAGE/TRADE :  
 SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
 Elevators  
 142400

DATE: 2/20/2007  
 BID TAKER: M. Tylee  
 DPR JOB #: 16-26002-01  
 PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|           |                      |                              |
|-----------|----------------------|------------------------------|
| Name:     | <b>Otis Elevator</b> | <b>ThyssenKrupp Elevator</b> |
| Address:  | 6010-D Triangle Dr   | 5995-10 Chapel Hill Rd       |
| Location: | Raleigh, NC 27617    | Raleigh, NC 27607            |
| Phone:    | 919-510-6415         | 919-851-8557                 |
| Fax:      | 919-                 | 919-851-4557                 |
| Contact:  | Jill Craig           | Tim Lord                     |
| E-Mail:   |                      |                              |

|                                                       | Units | Quantity | Amount | Quantity | Amount | Quantity | Amount |
|-------------------------------------------------------|-------|----------|--------|----------|--------|----------|--------|
| <b>Bid Breakdown</b>                                  |       |          |        |          |        |          |        |
| Passenger elevator                                    | ea    | 1        | \$ *   | 1        | \$ *   |          |        |
| Freight elevator                                      | ea    | 1        | \$ *   | 1        | \$ *   |          |        |
| Rock drilling                                         | lf    | 1        | *      | 1        | \$ *   |          |        |
| Other                                                 | ls    |          |        |          |        |          |        |
| <b>Total Base Bid</b>                                 |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Post Bid Adjustments</b>                           |       |          |        |          |        |          |        |
| Full glass wall at rear of passenger elevator         |       |          |        |          | \$ *   |          | \$ 0   |
| <b>Post Bid Adjustments</b>                           |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>COMPARISON TOTAL (Initial Contract Amount)</b>     |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>“Yet to Buy”</b>                                   |       |          |        |          |        |          |        |
| Protection of cabs                                    |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| 0                                                     |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Subtotal “Yet to Buy”</b>                          |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>LOR Amount = Contract Amount + “Yet To Buys”</b>   |       |          | \$ *   |          | \$ *   |          | \$ 0   |
| <b>Alternates</b>                                     |       |          |        |          |        |          |        |
| BOND:                                                 |       |          | \$ *   |          | \$ *   |          |        |
|                                                       |       |          | *%     |          | *%     |          |        |
| Provide standard ceiling height in freight elevator   |       |          | *      |          | \$ (*) |          |        |
| Provide standard ceiling height in passenger elevator |       |          | *      |          | \$ (*) |          |        |
| Delete elevator pit ladders from scope of work        |       |          | *      |          | \$ (*) |          |        |
| Perform grouting of elevator sills                    |       |          | *      |          | \$ *   |          |        |
| <b>Unit Prices</b>                                    |       |          |        |          |        |          |        |
| Rock drilling per lf                                  |       |          | \$ *   |          | \$ *   |          | \$ 0   |



# BID ANALYSIS AND SPREAD SHEET

**PROJECT:** United Therapeutics - Solid Dose Facility  
**LOCATION:** Research Triangle Park - Raleigh, North Carolina



**TRADES:** HVAC and Plumbing

**Construction Package #31**

**BID DUE DATE/TIME:** February 12, 2007 at 2PM  
**ESTIMATOR:** MSC  
**INTERVIEW DATE:** February 14, 2007

**DPR Budget:** \$0  
**Total Budget:** \$0  
**Comparison Total:** \$0  
**(Under) / Over Budget:** \$0

|                                                     |                                            | <b>RECOMMENDED</b>                        |                                                       |                                            |          |
|-----------------------------------------------------|--------------------------------------------|-------------------------------------------|-------------------------------------------------------|--------------------------------------------|----------|
| <b>Company Name</b>                                 | <b>CENTURY CONTRACTORS, INC.</b>           | <b>ENVIRONMENTAL AIR SYSTEMS</b>          | <b>GAMEWELL MECHANICAL</b>                            | <b>JOHN J KIRLIN</b>                       |          |
| <b>Company Address</b>                              | 5100 Smith Farm Road<br>Matthews, NC 28105 | 521 Banner Avenue<br>Greensboro, NC 27401 | 1417 Jake Alexander Blvd South<br>Salisbury, NC 28164 | 8200 Brownleigh Drive<br>Raleigh, NC 27623 |          |
| <b>Contact</b>                                      | Howard Smith                               | H. Monroe Gentry                          | Mike Heilig                                           | Joseph Turner                              |          |
| <b>Phone #</b>                                      | 704-821-8050                               | 336-273-1975                              | 704-633-1030                                          | 919-787-4862                               |          |
| <b>Fax#</b>                                         | 704-821-8078                               | 336-273-1762                              | 704-636-5014                                          | 919-787-9091                               |          |
| <b>BASE BID</b>                                     |                                            |                                           |                                                       |                                            |          |
| Plumbing \$                                         | * \$                                       | * \$                                      | * \$                                                  | * \$                                       | *        |
| HVAC \$                                             | * \$                                       | * \$                                      | * \$                                                  | * \$                                       | *        |
| Performance and Payment Bond Cost \$                | * \$                                       | * \$                                      | * \$                                                  | * \$                                       | *        |
| <b>BASE BID TOTAL</b>                               | <b>\$</b>                                  | <b>* \$</b>                               | <b>* \$</b>                                           | <b>* \$</b>                                | <b>*</b> |
| <b>Post Bid Scope Clarifications</b>                |                                            |                                           |                                                       |                                            |          |
| Variable Frequency Drives                           | \$                                         | *                                         | * \$                                                  | * \$                                       | *        |
| Rigid Board Ductwork at MER / Penthouse             | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| PI's and TI's per Instrument List (Taps)            | \$                                         | *                                         | *                                                     | *                                          | *        |
| Insulate Outdoor Condenser Water Piping             | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Value Added Piping Not Shown on Drawings as Defined |                                            | *                                         | * \$                                                  | * \$                                       | *        |
| Perchloric / Glass Wash Area Hoods                  | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Mold Insurance                                      | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Add Fuel Oil Day Tanks / Fuel                       | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Deduct VAV Controllers                              | \$                                         | (*) \$                                    | (*) \$                                                | (*) \$                                     | *        |
| Hot Water at Showers                                | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Air Curtains Shown and Not Scheduled                |                                            | * \$                                      | * \$                                                  | * \$                                       | *        |
| Extended Equipment Warranties (6 Months)            | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Additional Isolation Valves                         | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Trap Primers                                        |                                            | * \$                                      | * \$                                                  | * \$                                       | *        |
| Natural Gas Piping to Kitchen Stub In               | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| UG Kitchen Rough In                                 |                                            | * \$                                      | * \$                                                  | * \$                                       | *        |
| Ductwork Differences                                |                                            | *                                         | * \$                                                  | * \$                                       | *        |
| Build Out of Shelled Areas                          | \$                                         | (*)                                       | *                                                     | * \$                                       | *        |
| TOP Documentation                                   | \$                                         | *                                         | * \$                                                  | * \$                                       | *        |
| MEP Coordination Process                            |                                            | * \$                                      | * \$                                                  | * \$                                       | *        |
| Exterior UG Sanitary Process Waste Piping           |                                            | * \$                                      | * \$                                                  | * \$                                       | *        |
| Lump Sum Add (JJ Kirlin Only)                       |                                            | *                                         | * \$                                                  | * \$                                       | *        |
| <b>Post Bid Scope Clarification Cost Total</b>      | <b>\$</b>                                  | <b>* \$</b>                               | <b>* \$</b>                                           | <b>* \$</b>                                | <b>*</b> |
| <b>Yet to Buy</b>                                   |                                            |                                           |                                                       |                                            |          |
| 6 Ton Hoist and Beams at Chiller Room               | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| Fire Proof Patch                                    | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| 90% Drawings                                        | \$                                         | * \$                                      | * \$                                                  | * \$                                       | *        |
| <b>Yet to Buy Cost Total</b>                        | <b>\$</b>                                  | <b>* \$</b>                               | <b>* \$</b>                                           | <b>* \$</b>                                | <b>*</b> |
| <b>PROJECT TRADE COST TOTAL</b>                     | <b>\$</b>                                  | <b>* \$</b>                               | <b>* \$</b>                                           | <b>* \$</b>                                | <b>*</b> |
| <b>INTANGIBLES</b>                                  |                                            |                                           |                                                       |                                            |          |
| Total Lineal Footage of HVAC Piping (32,140)        |                                            | 33,417 LF                                 | 22,044 LF                                             | 27,111 LF                                  |          |
| Total Lineal Footage of Plumbing Piping (30,180)    |                                            | 30,319 LF                                 | 26,200 LF                                             | 26,500 LF                                  |          |
| Total Poundage of Ductwork (347,390)                |                                            | 332,000 LBS                               | 343,854 LBS                                           | 300,000 LBS                                |          |
| Total Square Footage of Insulation (129,004)        |                                            | 121,200 SF                                | 121,200 SF                                            | 97,400 SF                                  |          |

# BID ANALYSIS AND SPREAD SHEET

**PROJECT:** United Therapeutics - Solid Dose Facility  
**LOCATION:** Research Triangle Park - Raleigh, North Carolina



**TRADES:** Fire Protection

**Construction Package #32**

**BID DUE DATE/TIME:** February 12, 2007 at 2PM  
**ESTIMATOR:** MSC  
**INTERVIEW DATE:** February 14, 2007

**DPR Budget:** \$0  
**Total Budget:** \$0  
**Comparison Total:** \$0  
**(Under) / Over Budget:** \$0

|                                                | Company Name<br>Company Address                       | ALLIED FIRE<br>PROTECTION<br>PO Box 27075<br>Raleigh, NC 27611 | RECOMMENDED<br>ASSOCIATED<br>SPRINKLER CO.<br>206 E. Seneca Road<br>Greensboro, NC 27406 | CAROLINA FIRE<br>CONTROL<br>300 Manor Avenue SW<br>Concord, NC 28025 | EAST COAST FIRE<br>PROTECTION<br>7711 Welborn Street<br>Suite 103<br>Raleigh, NC 27615 | INDUSTRIAL<br>PIPING, INC.<br>800 Culp Road<br>Pineville, NC 28134 |
|------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|
|                                                | Contact<br>Phone #<br>Fax#                            | Micahel Houston<br>919-772-9200<br>919-779-4220                | Dan Prevette<br>336-373-3901<br>336-373-3902                                             | Tony Manka<br>704-784-4218<br>704-784-0455                           | Manny Ortiz<br>919-872-3250<br>919-877-5775                                            | Doug McQuiston<br>704-588-1100<br>704-588-5614                     |
| <b>BASE BID</b>                                |                                                       |                                                                |                                                                                          |                                                                      |                                                                                        |                                                                    |
|                                                | Fire Protection                                       | \$                                                             | *                                                                                        | \$                                                                   | *                                                                                      | \$                                                                 |
|                                                | Performance and Payment Bond                          | \$                                                             | *                                                                                        | \$                                                                   | *                                                                                      | \$                                                                 |
| <b>BASE BID TOTAL</b>                          |                                                       | \$                                                             | *                                                                                        | \$                                                                   | *                                                                                      | \$                                                                 |
| <b>Post Bid Scope Clarifications</b>           |                                                       |                                                                |                                                                                          |                                                                      |                                                                                        |                                                                    |
|                                                | Fire Extinguishers                                    |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Fire Hose Cabinets (8)                                |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Underground from 5' Out to 12" AFF (3 @ 10" & 1 @ 8") | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Detection Wiring for Preaction and FM-200 Systems     | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Water Curtains on Inside of Glass                     | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Third Preaction System                                |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Temporary Fire Protection (Standpipe System)          |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Mold Insurance                                        | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Shell Space Deduct - Kitchen Area                     | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Shell Space Deduct - Second Floor Process Area        | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Welded Joints Above Process Area                      | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | 90% Drawing Revisions                                 |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | FP Coverage Under Platforms / Obstructions            |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
| <b>Post Bid Scope Clarification Cost Total</b> |                                                       | \$                                                             | *                                                                                        | \$                                                                   | *                                                                                      | \$                                                                 |
| <b>Yet to Buy</b>                              |                                                       |                                                                |                                                                                          |                                                                      |                                                                                        |                                                                    |
|                                                | Prefabricated Pump House                              | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Cut Holes in Ceiling Tile for Sprinkler Heads         |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Painting of Exposed Sprinkler Piping                  |                                                                | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | FP Coverage for Floating Ceiling in Auditorium        | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | Fire Proof Patch                                      | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
|                                                | 90% Drawings                                          | \$                                                             | *                                                                                        |                                                                      | *                                                                                      | \$ (*)                                                             |
| <b>Yet to Buy Cost Total</b>                   |                                                       | \$                                                             | *                                                                                        | \$                                                                   | *                                                                                      | \$                                                                 |
| <b>PROJECT TRADE COST TOTAL</b>                |                                                       | \$                                                             | *                                                                                        | \$                                                                   | *                                                                                      | \$                                                                 |
| <b>INTANGIBLES</b>                             |                                                       |                                                                |                                                                                          |                                                                      |                                                                                        |                                                                    |
| <b>Subcontractor</b>                           | FM-200 System                                         |                                                                | Fire Systems, Inc.                                                                       | Fire Systems, Inc.                                                   |                                                                                        | American Fire Technologies                                         |
| <b>Lead Time</b>                               | Fire Pump                                             |                                                                | 12 Weeks                                                                                 | 14 Weeks                                                             |                                                                                        | 12-14 Weeks                                                        |
| <b>Alternate #1</b>                            | Fire Pump - Change in Capacity (3000 GPM to 1500 GPM) | \$                                                             | *                                                                                        | \$ (*)                                                               |                                                                                        | \$ (*)                                                             |
| <b>Cost Item</b>                               | Linear Footage of Exposed Pipe (Painter Scope)        |                                                                | 9000 LF                                                                                  | 7500 LF                                                              |                                                                                        | 7055 LF                                                            |

# BID ANALYSIS AND SPREAD SHEET

**PROJECT:** United Therapeutics - Solid Dose Facility  
**LOCATION:** Research Triangle Park - Raleigh, North Carolina



**TRADES:** Electrical and Fire Alarm

**Construction Package #33**

**BID DUE DATE/TIME:** February 12, 2007 at 2PM  
**ESTIMATOR:** MSC  
**INTERVIEW DATE:** February 15, 2007

**DPR Budget:** \$0  
**Total Budget:** \$0  
**Comparison Total:** \$0  
**(Under) / Over Budget:** \$0

| Company Name    | AC CORPORATION                               | <b>RECOMMENDED</b><br>BERG ELECTRIC                      | STARR ELECTRIC                         |
|-----------------|----------------------------------------------|----------------------------------------------------------|----------------------------------------|
| Company Address | 301 Creek Rdige Road<br>Greensboro, NC 27406 | 2310 Presidential Drive<br>Suite 104<br>Durham, NC 27703 | 300 Sherwee Drive<br>Raleigh, NC 27603 |
| Contact         | David Williams                               | Larry Lindsey                                            | Mack Brown                             |
| Phone #         | 336-273-4472                                 | 919-806-5050                                             | 919-772-3200                           |
| Fax#            | 336-274-6035                                 | 919-806-5858                                             | 919-772-4700                           |

|                                    |           |          |           |          |
|------------------------------------|-----------|----------|-----------|----------|
| <b>BASE BID</b>                    |           |          |           |          |
| Electrical                         | \$        | *        | \$        | *        |
| Fire Alarm                         | \$        | *        | \$        | *        |
| Voice / Data Rough In              | \$        | *        | \$        | *        |
| Performance and Payment Bond Costs | \$        | *        | \$        | *        |
| <b>BASE BID TOTAL</b>              | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> |

|                                                |           |          |           |            |
|------------------------------------------------|-----------|----------|-----------|------------|
| <b>Post Bid Scope Clarifications</b>           |           |          |           |            |
| Mold Insurance                                 | \$        | *        | \$        | *          |
| Temporary Power to Site                        | \$        | *        | \$        | *          |
| Lay Down Area Lighting                         | \$        | *        | \$        | *          |
| Fire Detection Wiring (PA & FM200)             | \$        | *        | \$        | *          |
| Utilize Cat Gensets ILO Generac                | \$        | (*)      | \$        | (*)        |
| Motorized Shades                               |           | *        |           | *          |
| On Site Safety (Non-Working)                   | \$        | *        |           | *          |
| Grounding Across Duct Flex's                   | \$        | *        | \$        | *          |
| Install Loose VFD's                            | \$        | *        | \$        | *          |
| Shell Space                                    | \$        | *        | \$        | (*)        |
| Site Signage                                   |           | *        | \$        | *          |
| Coated PVC in lieu of Rigid at Process Areas   |           | *        | \$        | *          |
| MC Cable at Office Walls in lieu of EMT        |           | *        | \$        | (*)        |
| EMT in lieu of Rigid at Mechanical Rooms       |           | *        | \$        | (*)        |
| MEP Coordination Process                       | \$        | *        | \$        | *          |
| Access Control and CCTV (Siemens)              | \$        | *        | \$        | *          |
| <b>Post Bid Scope Clarification Cost Total</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>(*)</b> |

|                                 |           |          |           |          |
|---------------------------------|-----------|----------|-----------|----------|
| <b>Yet to Buy</b>               |           |          |           |          |
| Fire Proof Patch                | \$        | *        | \$        | *        |
| 90% Drawings                    | \$        | *        | \$        | *        |
| <b>Yet to Buy Cost Total</b>    | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> |
| <b>PROJECT TRADE COST TOTAL</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> |

**INTANGIBLES**

# BID ANALYSIS AND SPREAD SHEET

**PROJECT:** United Therapeutics - Solid Dose Facility  
**LOCATION:** Research Triangle Park - Raleigh, North Carolina



**TRADES:** Instrumentation and Controls

**Construction Package #34**

**BID DUE DATE/TIME:** February 12, 2007 at 2PM  
**ESTIMATOR:** MSC  
**INTERVIEW DATE:** February 14, 2007

**DPR Budget:** \$0  
**Total Budget:** \$0  
**Comparison Total:** \$0  
**(Under) / Over Budget:** \$0

|                        | RECOMMENDED                                     |                                                         |                                                  |
|------------------------|-------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|
| <b>Company Name</b>    | COOPER ELECTRIC                                 | MAVERICK TECHNOLOGIES                                   | PROFORMANCE GROUP, INC.                          |
| <b>Company Address</b> | 1706 E. Wendover Avenue<br>Greensboro, NC 27405 | 7996 North Point Boulevard<br>Winston - Salem, NC 27106 | 15 Brookfield Oaks Drive<br>Greenville, SC 29607 |
| <b>Contact</b>         | Jim Albertson                                   | Dave Coppa                                              | Rodney Smith                                     |
| <b>Phone #</b>         | 336-275-8439                                    | 336-896-0288                                            | 864-675-9001                                     |
| <b>Fax#</b>            | 336-275-0665                                    | 336-896-9066                                            | 864-288-1591                                     |

|                                                |           |            |           |          |
|------------------------------------------------|-----------|------------|-----------|----------|
| <b>BASE BID</b>                                |           |            |           |          |
| Building Automation Systems                    | \$        | *          | \$        | *        |
| Process Instrumentation and Controls           | \$        | *          | \$        | *        |
| System Engineering                             |           | *          | \$        | *        |
| Performance and Payment Bond Cost - BAS        | \$        | *          | \$        | *        |
| Performance and Payment Bond Cost - PC&I       | \$        | *          | \$        | *        |
| <b>BASE BID TOTAL</b>                          | <b>\$</b> | <b>*</b>   | <b>\$</b> | <b>*</b> |
| <b>Post Bid Scope Clarifications</b>           |           |            |           |          |
| Non-Working Safety Requirement Adjustment      | \$        | *          | \$        | *        |
| Mold Insurance                                 | \$        | *          | \$        | *        |
| EMT vs. Ridgid Conduit at MER                  | \$        | (*)        | \$        | (*)      |
| Glatt Machines Connections                     |           | *          | \$        | *        |
| Bench Test and Calibration                     |           | *          |           | *        |
| Handling and Tagging All Instruments           |           | *          | \$        | *        |
| TAB Support (96 Mhrs)                          | \$        | *          | \$        | *        |
| Premium Time Start Up and Testing (200 Mhrs)   |           | *          | \$        | *        |
| TOP Requirements                               |           | *          | \$        | *        |
| Shell Area Work                                | \$        | (*)        | *         | *        |
| DPR Functional Performance Testing Supervision | \$        | *          | \$        | *        |
| <b>Post Bid Scope Clarification Cost Total</b> | <b>\$</b> | <b>(*)</b> | <b>\$</b> | <b>*</b> |
| <b>Yet to Buy</b>                              |           |            |           |          |
| Fire Proof Patch                               | \$        | *          | \$        | *        |
| 90% Drawings                                   | \$        | *          | \$        | *        |
| <b>Yet to Buy Cost Total</b>                   | <b>\$</b> | <b>*</b>   | <b>\$</b> | <b>*</b> |
| <b>PROJECT TRADE COST TOTAL</b>                | <b>\$</b> | <b>*</b>   | <b>\$</b> | <b>*</b> |
| <b>INTANGIBLES</b>                             |           |            |           |          |

# BID ANALYSIS AND SPREAD SHEET

**PROJECT:** United Therapeutics - Solid Dose Facility  
**LOCATION:** Research Triangle Park - Raleigh, North Carolina  
**TRADES:** Testing and Balancing



**Construction Package #35**

**BID DUE DATE/TIME:** February 12, 2007 at 2PM  
**ESTIMATOR:** MSC

**DPR Budget:** \$0  
**Total Budget** \$0  
**Comparison Total** \$0  
**(Under) / Over Budget:** \$0

|                        |                         |                                 |
|------------------------|-------------------------|---------------------------------|
| <b>Company Name</b>    | <b>ENVIROTROL, INC.</b> | <b>RECOMMENDED</b>              |
| <b>Company Address</b> | 2203 Sullivan Street    | <b>THE PHOENIX AGENCY of NC</b> |
|                        | Greensboro, NC 27415    | 5750 Shattalon Drive            |
| <b>Contact</b>         | Scott Goller            | Winston - Salem, NC 27105       |
| <b>Phone #</b>         | 336-273-9587            | Rafail Mebel                    |
| <b>Fax#</b>            | 336-272-4162            | 336-744-1998                    |
|                        |                         | 336-744-5151                    |

|                                     |    |   |    |   |  |
|-------------------------------------|----|---|----|---|--|
| <b>BASE BID</b>                     |    |   |    |   |  |
| Air and Water Testing and Balancing | \$ | * | \$ | * |  |
| Performance and Payment Bond Costs  | \$ | * | \$ | * |  |

|                       |           |          |           |          |             |             |
|-----------------------|-----------|----------|-----------|----------|-------------|-------------|
| <b>BASE BID TOTAL</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$ 0</b> | <b>\$ 0</b> |
|-----------------------|-----------|----------|-----------|----------|-------------|-------------|

**Post Bid Scope Clarifications**

|                                                 |    |   |    |   |  |
|-------------------------------------------------|----|---|----|---|--|
| TOP Documentation                               | \$ | * | \$ | * |  |
| Coordination with Commissioning Master Planning | \$ | * | \$ | * |  |
| 200 Hours                                       | \$ | * | \$ | * |  |

|                                                |           |          |           |          |             |             |
|------------------------------------------------|-----------|----------|-----------|----------|-------------|-------------|
| <b>Post Bid Scope Clarification Cost Total</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$ 0</b> | <b>\$ 0</b> |
|------------------------------------------------|-----------|----------|-----------|----------|-------------|-------------|

**Yet to Buy**

|                              |           |          |           |          |             |             |
|------------------------------|-----------|----------|-----------|----------|-------------|-------------|
| <b>Yet to Buy Cost Total</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$ 0</b> | <b>\$ 0</b> |
|------------------------------|-----------|----------|-----------|----------|-------------|-------------|

|                                 |           |          |           |          |             |             |
|---------------------------------|-----------|----------|-----------|----------|-------------|-------------|
| <b>PROJECT TRADE COST TOTAL</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$ 0</b> | <b>\$ 0</b> |
|---------------------------------|-----------|----------|-----------|----------|-------------|-------------|

**INTANGIBLES**

# BID ANALYSIS AND SPREAD SHEET

**PROJECT:** United Therapeutics - Solid Dose Facility  
**LOCATION:** Research Triangle Park - Raleigh, North Carolina



**TRADES:** Process Piping and Process Equipment Setting

## Construction Package #36

**BID DUE DATE/TIME:** February 12, 2007 at 2PM  
**ESTIMATOR:** MSC  
**INTERVIEW DATE:** February 16, 2007

**DPR Budget:** \$0  
**Total Budget:** \$0  
**Comparison Total:** \$0  
**(Under) / Over Budget:** \$0

|                        | <u>RECOMMENDED</u>           |                                |                       |
|------------------------|------------------------------|--------------------------------|-----------------------|
| <b>Company Name</b>    | <b>DYNAMIC SYSTEMS, INC.</b> | <b>KINETIC SYSTEMS, INC.</b>   | <b>JOHN J KIRLIN</b>  |
| <b>Company Address</b> | 220-B Dominion Drive         | 4226 Surles Court<br>Suite 500 | 8200 Brownleigh Drive |
|                        | Morrisville, NC 27560        | Durham, NC 27703               | Raleigh, NC 27623     |
| <b>Contact</b>         | Tim West                     | Bob Portman                    | Joseph Turner         |
| <b>Phone #</b>         | 919-678-6300                 | 919-474-4600                   | 919-787-4862          |
| <b>Fax#</b>            | 919-678-6301                 | 919-474-8214                   | 919-787-9091          |

|                                                                   |           |          |           |          |           |
|-------------------------------------------------------------------|-----------|----------|-----------|----------|-----------|
| <b>BASE BID</b>                                                   |           |          |           |          |           |
| Process Piping                                                    | \$        | *        | \$        | *        | \$        |
| Process Equipment Setting                                         | \$        | *        | \$        | *        | \$        |
| Performance and Payment Bond Costs -<br>Process Piping            | \$        | *        | \$        | *        | \$        |
| Performance and Payment Bond Costs -<br>Process Equipment Setting | \$        | *        | \$        | *        | \$        |
| <b>BASE BID TOTAL</b>                                             | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$</b> |

|                                                |           |          |           |          |           |
|------------------------------------------------|-----------|----------|-----------|----------|-----------|
| <b>Post Bid Scope Clarifications</b>           |           |          |           |          |           |
| Dedicated Power Requirements                   | \$        | *        | \$        | *        | \$        |
| Confirmation TOP Documentation                 | \$        | *        | \$        | *        | \$        |
| Insulation of SS Ductwork                      | \$        | *        | \$        | *        | \$        |
| Mold Insurance                                 |           | *        |           | *        |           |
| Vacuum Pump                                    |           | *        |           | *        |           |
| Trim Piping to Portable Vessels                | \$        | *        | \$        | *        | \$        |
| Additional Crane Capability                    | \$        | *        | \$        | *        | \$        |
| Adjust Joints for CDA Piping to Brazed         | \$        | *        | \$        | *        | \$        |
| CDA 4" & 6" to SS                              |           | *        |           | *        |           |
| Glatt Room Piping and Hook Ups                 | \$        | (*)      |           | *        |           |
| WPU Unit Located at First Floor                |           | *        |           | *        |           |
| Dust Collection System                         |           | *        |           | (*)      |           |
| Add for 1-1/2" Insulation (Techlite)           | \$        | *        | \$        | *        | \$        |
| Acetone Pump                                   |           | *        |           | *        |           |
| N2 Piping Service to Acetone Room              | \$        | *        | \$        | *        | \$        |
| Process Duct Construction (16ga to<br>12ga)    |           | *        |           | *        |           |
| Service Panels                                 | \$        | *        | \$        | *        | \$        |
| Add Block Valves for Instrument Air            | \$        | *        | \$        | *        | \$        |
| Exposed Air Piping Change (C to SS)            | \$        | *        |           | *        |           |
| Add Valve at Drops (CDA and N2)                | \$        | *        | \$        | *        | \$        |
| RO Water to Humidifiers                        | \$        | *        | \$        | *        | \$        |
| CA to Cooling Towers                           |           | *        |           | *        |           |
| Equipment Protection During<br>Construction    | \$        | *        | \$        | *        | \$        |
| Process Equipment Tagging                      | \$        | *        | \$        | *        | \$        |
| Controls Interaction Time                      | \$        | *        | \$        | *        | \$        |
| <b>Post Bid Scope Clarification Cost Total</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$</b> |

|                              |           |          |           |          |           |
|------------------------------|-----------|----------|-----------|----------|-----------|
| <b>Yet to Buy</b>            |           |          |           |          |           |
| Flexible Hoses Shown         |           | *        |           | *        |           |
| Fire Proof Patch             | \$        | *        | \$        | *        | \$        |
| 90% Drawings                 | \$        | *        | \$        | *        | \$        |
| <b>Yet to Buy Cost Total</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$</b> |

|                                 |           |          |           |          |           |
|---------------------------------|-----------|----------|-----------|----------|-----------|
| <b>PROJECT TRADE COST TOTAL</b> | <b>\$</b> | <b>*</b> | <b>\$</b> | <b>*</b> | <b>\$</b> |
|---------------------------------|-----------|----------|-----------|----------|-----------|

|                                                          |           |           |           |  |  |
|----------------------------------------------------------|-----------|-----------|-----------|--|--|
| <b>INTANGIBLES (Not in Scope of Work<br/>Cost Above)</b> |           |           |           |  |  |
| Total Footage of Process Piping (13,670)                 | 13,450 LF | 12,834 LF | 14,000 LF |  |  |

---

**DATE:** 2/21/2007  
**BID TAKER:** M. Tylee  
**DPR JOB #:** 16-26002-01  
**PRECON JOB #:** 07-001

### Unit Prices



PROJECT:  
 PACKAGE/TRADE :  
 SPEC SECTIONS:  
BUDGET COMPARISON

UNITED THERAPEUTICS  
 Fence and Gates  
 323113/312000

DATE: 2/20/2007  
 BID TAKER: M. Tylee  
 DPR JOB #: 16-26002-01  
 PRECON JOB #: 07-001

**BID BREAKDOWN FORM**

|                                                |           |                   |        |                   |        |                       |        |
|------------------------------------------------|-----------|-------------------|--------|-------------------|--------|-----------------------|--------|
|                                                | Name:     | Allied Fence      |        | Frye Fence        |        | Seegars Fence         |        |
|                                                | Address:  | 5840 Lease Lane   |        | 3221 Durham Drive |        | 1240 Corporation Pkwy |        |
|                                                | Location: | Raleigh, NC 27617 |        | Raleigh, NC 27603 |        | Raleigh, NC 27610     |        |
|                                                | Phone:    | 919-783-8530      |        | 919-779-4700      |        | 919-231-5473          |        |
|                                                | Fax:      | 0                 |        | 0                 |        | 0                     |        |
|                                                | Contact:  | Kelli             |        | James Frye        |        | Rick Alford           |        |
|                                                | E-Mail:   |                   |        |                   |        |                       |        |
|                                                | Units     | Quantity          | Amount | Quantity          | Amount | Quantity              | Amount |
| Bid Breakdown                                  |           |                   |        |                   |        |                       |        |
| Chainlink fence                                | ea        | 1                 | \$ *   | 1                 | \$ *   | 1,092                 | \$ *   |
| 25’ sliding gate                               | ea        |                   | \$ *   |                   | \$ *   | 1                     | \$ *   |
| 35’ sliding gate                               | lf        |                   | \$ *   |                   | \$ *   | 1                     | \$ *   |
| Loop detection                                 | ls        |                   | \$ *   |                   | \$ *   | 2                     | \$ *   |
| Lightning protection                           | ls        |                   | \$ *   |                   | \$ *   | 1                     | \$ *   |
| Total Base Bid                                 |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Post Bid Adjustments                           |           |                   |        |                   |        |                       |        |
| Loop detection                                 |           |                   | \$ *   |                   | \$ *   |                       | *      |
| Lightning protection                           |           |                   | \$ *   |                   | \$ *   |                       | *      |
| Post Bid Adjustments                           |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| COMPARISON TOTAL (Initial Contract Amount)     |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| “Yet to Buy”                                   |           |                   |        |                   |        |                       |        |
| Loop detection                                 |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Lightning Protection                           |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Signage                                        |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Subtotal “Yet to Buy”                          |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| LOR Amount = Contract Amount + “Yet To Buys”   |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Alternates                                     |           |                   |        |                   |        |                       |        |
| BOND:                                          |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Add one personnel gate                         |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Provide concertina wire in lieu of barbed wire |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Provide gate hardware spare parts              |           |                   | \$ *   |                   | \$ *   |                       | *      |
| Unit Prices                                    |           |                   |        |                   |        |                       |        |
| Personnel gates                                |           |                   | \$ *   |                   | \$ *   |                       | \$ *   |
| Rock excavation and disposal offsite           |           |                   | \$ *   |                   | \$ *   |                       | *      |



**PROJECT:** United Therapeutics Solid Dose Facility  
**LOCATION:** Research Triangle Park, NC  
**ARCHITECT:** O'Neal  
**CLIENT:** United Therapeutics

**DPR JOB NO:** TBD  
**DATE:** 3/4/07  
**ESTIMATOR:** JBV

| SYS NO.   | DESCRIPTION                                        | QUANTITY  | UNIT  | UNIT COST | SUBTOTAL | TOTAL |
|-----------|----------------------------------------------------|-----------|-------|-----------|----------|-------|
| <b>16</b> | <b>General Requirements</b>                        |           |       |           |          |       |
|           | <b>Safety/Cleanup</b>                              |           |       |           |          |       |
|           | Jobsite Safety-labor                               |           |       |           |          |       |
|           | Labor months 1-3                                   |           | mh    | *         |          | *     |
|           | Labor months 4-7, 1 carp FT                        | 692.8     | mh    | *         | *        | *     |
|           | Labor months 8-12, 1 carp FT                       | 866.0     | mh    | *         | *        | *     |
|           | Labor months 13-15, 1 carp FT                      | 519.6     | mh    | *         | *        | *     |
|           | Labor months 16-24, 1 carp FT                      | 1,558.8   | mh    | *         | *        | *     |
|           | Safety mat'l (rails, penetrations, stair, etc)     | 1.0       | ls    | *         | *        | *     |
|           | Interim Cleanup -labor                             |           |       |           |          |       |
|           | Labor months 1-3                                   |           | mh    | *         |          | *     |
|           | Labor months 4-7, 1 laborers FT                    | 692.8     | mh    | *         | *        | *     |
|           | Labor months 8-12, 2 laborers FT                   | 1,732.0   | mh    | *         | *        | *     |
|           | Labor months 13-15, 2 laborers FT                  | 2,078.4   | mh    | *         | *        | *     |
|           | Labor months 16-24, 2 laborers FT                  | 3,117.6   | mh    | *         | *        | *     |
|           | Clean build protocol (Material mn 16-24)           | 9.0       | mn    | *         | *        | *     |
|           | Final Clean-up-office                              | 151,690.0 | sf    | *         | *        | *     |
|           | Final Clean-up-cGMP                                | 50,000.0  | sf    | *         | *        | *     |
|           | Debris Boxes                                       |           |       |           |          | *     |
|           | Pulls months 1-3, 1 pulls/wk                       | 13.0      | Pulls | *         | *        |       |
|           | Pulls months 4-7, 1.5 pulls/wk                     | 17.3      | Pulls | *         | *        |       |
|           | Pulls months 8-12, 2 pulls/wk                      | 32.5      | Pulls | *         | *        |       |
|           | Pulls months 13-15, 3 pulls/wk                     | 26.0      | Pulls | *         | *        |       |
|           | Pulls months 16-24, 3 pulls/wk                     | 77.9      | Pulls | *         | *        |       |
|           | Site Fencing                                       |           |       |           |          | *     |
|           | Guard Service                                      |           |       |           |          | *     |
|           | <b>SUBTOTAL: Safety/Cleanup</b>                    |           |       |           | *        |       |
|           | <b>Temporary Services</b>                          |           |       |           |          |       |
|           | Temp utilities @ DPR trailers-consumpt.            | 24.0      | mn    | *         | *        |       |
|           | Office Trailer (Break trailer & Toilet facilities) | 20.0      | mo    | *         | *        |       |
|           | Temp. Electrical Set-up/take down Const.           |           |       |           |          | *     |
|           | Temporary lighting-bldg & site                     |           |       |           |          | *     |
|           | Temporary lighting-relamping                       |           |       |           |          | *     |
|           | Temporary Heat                                     |           |       |           |          | *     |
|           | Tarps                                              |           |       |           |          | *     |
|           | Temp encl/equip labor (3 ea 50%PT)                 |           |       |           |          | *     |
|           | Propane                                            |           |       |           |          | *     |
|           | Unit rental (4 units)                              |           |       |           |          | *     |
|           | Construction Power Consumption                     |           |       |           |          | *     |
|           | Misc Generators                                    | 1.0       | ls    | *         | *        |       |
|           | Months 1-3                                         | 3.0       | mn    | *         | *        |       |
|           | Months 4-7                                         | 4.0       | mn    | *         | *        |       |
|           | Months 8-12                                        | 5.0       | mn    | *         | *        |       |
|           | Months 13-15                                       | 3.0       | mn    | *         | *        |       |

|                                                        |      |    |   |   |   |
|--------------------------------------------------------|------|----|---|---|---|
| Permanent Power consumption (mn 16-24)                 |      |    |   |   | * |
| Permanent Utility Consumption (gas, fuel, water, etc.) |      |    |   |   | * |
| Protect finishes                                       | 9.0  | mn | * | * |   |
| Protect Equipment                                      | 12.0 | mn | * | * |   |
| Protect flooring                                       | 1.0  | Ls | * | * |   |
| Protect ceilings, walls                                |      |    |   |   | * |
| Protect Aquarium                                       |      |    |   |   | * |
| Off site storage (if req'd 3,000sf warehouse)          |      |    |   |   | * |
| All hoisting/temp elev/cranes/etc                      |      |    |   |   | * |
| Temp freight elevator (extend warrantee)               |      |    |   |   | * |
| Trash Chute                                            | 6.0  | mn | * | * |   |
| Misc hoisting                                          |      |    |   |   | * |
| <b>SUBTOTAL: Temporary Services</b>                    |      |    |   |   | * |
|                                                        |      |    |   |   |   |
| <b>Site Conditions</b>                                 |      |    |   |   |   |
| Site Surveyor - Registered (to be subcont.)            |      |    |   | * | * |
| Temporary Roads & parking                              |      |    |   |   | * |
| Dust Control & street cleaning                         |      |    |   |   | * |
| Wood Barricades/Signs@ trailer/bldg entry              |      |    |   |   | * |
| Flagman/Traffic Control (with trades as req'd)         |      |    |   |   | * |
| Testing/Inspection-by Owner-3rd party inspect          |      |    |   |   | * |
| <b>SUBTOTAL: Site Conditions</b>                       |      |    |   | * |   |
|                                                        |      |    |   |   |   |
| <b>SUBTOTAL: 16 - General Requirements</b>             |      |    |   |   | * |



### 3. General Conditions

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General Conditions Breakdown  
Estimate Detail

**PROJECT:** United Therapeutics Solid Dose Facility  
**LOCATION:** Research Triangle Park, NC  
**ARCHITECT:** O'Neal  
**CLIENT:** United Therapeutics

**DPR JOB NO:** TBD  
**DATE:** 3/4/07  
**ESTIMATOR:** JBV

| SYS NO. | DESCRIPTION                                 | QUANTITY | UNIT | UNIT COST | SUBTOTAL | TOTAL      |
|---------|---------------------------------------------|----------|------|-----------|----------|------------|
| 15      | <b>Jobsite Management</b>                   |          |      |           |          |            |
|         | <b>C.M. Staff</b>                           |          |      |           |          |            |
|         | Project Executive                           | 600.6    | mh   | *         | *        |            |
|         | Project Sponsor                             | 33.6     | wk   | *         | *        |            |
|         | Senior Project Manager                      | 108.3    | wk   | *         | *        |            |
|         | Project Manager                             | 95.3     | wk   | *         | *        |            |
|         | MEP Coordinator                             | 45.5     | wk   | *         | *        |            |
|         | Equipment Manager                           | 39.0     | wk   | *         | *        |            |
|         | Assistant Project Manager                   | 86.6     | wk   | *         | *        |            |
|         | Project Engineer                            | 82.3     | wk   | *         | *        |            |
|         | Document Control/ETOP                       | 97.4     | wk   | *         | *        |            |
|         | Scheduler                                   | 26.0     | wk   | *         | *        |            |
|         | FOC                                         | 103.9    | wk   | *         | *        |            |
|         | Project Superintendent                      | 106.1    | wk   | *         | *        |            |
|         | Superintendent-CSA/Interiors                | 90.9     | wk   | *         | *        |            |
|         | Superintendent-MEP                          | 69.3     | wk   | *         | *        |            |
|         | Superintendent-Equip/Electrical/Instr.      | 56.3     | wk   | *         | *        |            |
|         | Safety Coordinator                          | 76.9     | wk   | *         | *        |            |
|         | Buyout and Procurement                      | 17.3     | wk   | *         | *        |            |
|         | Project Accountant                          | 59.3     | wk   | *         | *        |            |
|         | <b>SUBTOTAL: Management</b>                 |          |      |           | *        |            |
|         | <b>Jobsite Office</b>                       |          |      |           |          |            |
|         | Office Trailer (Four wide)                  | 25.0     | mo   | *         | *        |            |
|         | Office Trailer (conf trailer)               | 20.0     | mo   | *         | *        |            |
|         | Jobsite Set-up/take down                    | 1.0      | ls   | *         | *        |            |
|         | Office furniture (all trailers)             | 1.0      | ls   | *         | *        |            |
|         | Copy Machine (2 ea Full Size)               | 23.0     | mo   | *         | *        |            |
|         | Computer                                    | 258.0    | mm   | *         | *        |            |
|         | Network & Server                            | 23.0     | mo   | *         | *        |            |
|         | T1 Line set up and charges                  | 20.0     | mo   | *         | *        |            |
|         | Printers/Fax 2 ea                           | 23.0     | mo   | *         | *        |            |
|         | Plotter                                     | 23.0     | mo   | *         | *        |            |
|         | Jobsite Telephones                          | 23.0     | mo   | *         | *        |            |
|         | Jobsite Telephones-Service set up           | 1.0      | ls   | *         | *        |            |
|         | Nextel Monthly Cost                         | 258.0    | mm   | *         | *        |            |
|         | Temporary Toilets (trailers)                |          |      |           | *        |            |
|         | Project Sign                                | 1.0      | ls   | *         | *        |            |
|         | <b>SUBTOTAL: Jobsite Office</b>             |          |      |           | *        |            |
|         | <b>Jobsite Office Eq/Services</b>           |          |      |           |          | *          |
|         | Postage/Federal Express                     | 23.0     | mo   | *         | *        |            |
|         | Office Supplies & Close out materials       | 23.0     | mo   | *         | *        |            |
|         | Meetings, water, coffee etc.                | 23.0     | mo   | *         | *        |            |
|         | Progress Photographs/digital camera         | 1.0      | ls   | *         | *        |            |
|         | Blueprinting-Bid Sets-GMP                   | 1.0      | ls   | *         | *        |            |
|         | Blueprinting-during construction after GMP  |          |      |           | *        | CD & Shops |
|         | <b>SUBTOTAL: Jobsite Office Eq/Services</b> |          |      |           | *        |            |
|         | <b>SUBTOTAL: 15 - Jobsite Management</b>    |          |      |           |          | *          |

General Conditions Breakdown  
Estimate Detail

**PROJECT:** United Therapeutics Solid Dose Facility  
**LOCATION:** Research Triangle Park, NC  
**ARCHITECT:** O'Neal  
**CLIENT:** United Therapeutics

**DPR JOB NO:** TBD  
**DATE:** 3/4/07  
**ESTIMATOR:** JBV

| SYS NO.   | DESCRIPTION                                    | QUANTITY | UNIT | UNIT COST | SUBTOTAL | TOTAL |
|-----------|------------------------------------------------|----------|------|-----------|----------|-------|
| <b>16</b> | <b>Jobsite Management</b>                      |          |      |           |          |       |
|           | <b>Safety/Cleanup</b>                          |          |      |           |          |       |
|           | Jobsite Safety-labor                           |          |      | *         |          | *     |
|           | Misc Safety equipment & Materials              | 25.0     | mo   | *         | *        |       |
|           | Fire extinguishers                             | 1.0      | Ls   | *         | *        |       |
|           | First Aid supplies and equipment               | 25.0     | mo   | *         | *        |       |
|           | Interim Cleanup -labor                         |          |      |           | *        | *     |
|           | Clean build protocol                           |          |      |           | *        | *     |
|           | Final Clean-up-building                        |          |      |           | *        | *     |
|           | Debris Boxes (to supplement trades)            |          |      |           | *        | *     |
|           | Site Fencing                                   |          |      |           | *        | *     |
|           | Guard Service                                  |          |      |           | *        | *     |
|           | <b>SUBTOTAL: Safety/Cleanup</b>                |          |      |           | *        |       |
|           | <b>Temporary Services</b>                      |          |      |           |          |       |
|           | Living/travel-Per diem                         | 294.2    | wk   | *         | *        |       |
|           | Expediting/travel for equipment                |          |      |           |          | *     |
|           | Jobsite Vehicles (Supers trucks)               | 74.5     | mo   | *         | *        |       |
|           | Car Allowances                                 | 92.0     | mo   | *         | *        |       |
|           | Fuel                                           | 23.0     | mo   | *         | *        |       |
|           | Temp utilities @ DPR trailers-set up           |          |      |           |          | *     |
|           | Temporary Toilets (8 ea)                       | 23.0     | mo   | *         | *        |       |
|           | Temp utilities @ DPR trailers-consumpt.        |          |      |           |          | *     |
|           | Temp. Electrical Set-up/take down Const.       |          |      |           | *        |       |
|           | Temporary Heat                                 |          |      |           |          | *     |
|           | Construction Power Costs, set up               |          |      |           |          | *     |
|           | Temporary Roads                                |          |      |           |          | *     |
|           | Protect finishes                               |          |      |           |          | *     |
|           | Protect Equipment                              |          |      |           |          | *     |
|           | Temporary Partitions                           |          |      |           |          | *     |
|           | Off site storage (if req'd)                    |          |      |           |          | *     |
|           | All hoisting/temp elev/cranes/etc              |          |      |           |          | *     |
|           | <b>SUBTOTAL: Temporary Services</b>            |          |      |           | *        |       |
|           | <b>Site Conditions</b>                         |          |      |           |          |       |
|           | Site Surveyor - Registered (to be subcont.)    |          |      |           |          | *     |
|           | Dust Control                                   |          |      |           |          | *     |
|           | Wood Barricades/Signs@ trailer/bldg entry      |          |      |           |          | *     |
|           | Flagman/Traffic Control (with trades as req'd) |          |      |           |          | *     |
|           | Misc Yard Charges (with trades if req'd)       |          |      |           |          | *     |
|           | Labor- Yard (with trades if req'd)             |          |      |           |          | *     |
|           | Testing/Inspection-by Owner-3rd party inspect  |          |      |           |          | *     |
|           | <b>SUBTOTAL: Site Conditions</b>               |          |      |           | *        |       |
|           | <b>SUBTOTAL: 16 - Jobsite Management</b>       |          |      |           |          | *     |
|           | <b>TOTAL GENERAL CONDITIONS COSTS</b>          |          |      |           |          | *     |





United Therapeutics- Solid Dose-RTP

| Position                               | 2007     | Rate/hr | Rate/wk | 2007 |      |       |       |       |       |       |       |       |       |       |       |
|----------------------------------------|----------|---------|---------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                        |          |         |         | Jan  | Feb  | Mar   | Apr   | May   | June  | July  | Aug   | Sept  | Oct   | Nov   | Dec   |
| Mass Excavate/Foundations/Site         |          |         |         |      |      |       |       |       |       |       |       |       |       |       |       |
| Super Structure                        |          |         |         |      |      |       |       |       |       |       |       |       |       |       |       |
| Skin                                   |          |         |         |      |      |       |       |       |       |       |       |       |       |       |       |
| Interiors                              |          |         |         |      |      |       |       |       |       |       |       |       |       |       |       |
| Commissioning & Validation             |          |         |         |      |      |       |       |       |       |       |       |       |       |       |       |
| Close Out                              |          |         |         |      |      |       |       |       |       |       |       |       |       |       |       |
|                                        |          |         |         |      |      |       | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     |
| Project Executive                      | *Tom K   | \$      | *       |      |      |       | 10%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   |
| Project Sponsor                        | *Bob M   | \$      | *       |      | 10%  | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 25%   | 25%   |
| Senior Project Manager                 | *Randy   | \$      | *       |      | 50%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Project Manager                        | *Jack P  | \$      | *       |      |      |       |       | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Process Manager                        | *Earl    | \$      | *       |      |      |       | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 50%   | 50%   | 50%   |
| Equipment Manager                      | *Paul P  | \$      | *       |      |      |       |       | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Asst Project manager                   | *Scott   | \$      | *       |      |      |       |       | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Project Engineer                       | *Dave F  | \$      | *       |      |      |       |       |       |       |       | 100%  | 100%  | 100%  | 100%  | 100%  |
| Document Control/ETOP                  | *TBD     | \$      | *       |      |      |       |       | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Scheduler                              | *TBD     | \$      | *       |      |      |       | 100%  | 100%  | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   |
| FOC                                    | *TBD     | \$      | *       |      |      | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Senior Superintendent                  | *Greg    | \$      | *       |      | 50%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Superintendent-CSA/Interiors           | *Lynn    | \$      | *       |      |      |       |       | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Superintendent-MEP                     | *Chris M | \$      | *       |      |      |       |       |       |       |       |       |       |       | 100%  | 100%  |
| Superintendent-Equip/Electrical/Instr. | *Paul P  | \$      | *       |      |      |       |       |       |       |       |       |       |       |       |       |
| Safety Manager                         | *TBD     | \$      | *       |      |      | 25%   | 25%   | 25%   | 25%   | 25%   | 100%  | 100%  | 100%  | 100%  | 100%  |
| Buyout & procurement                   | *Various | \$      | *       |      |      | 100%  | 100%  | 100%  | 100%  |       |       |       |       |       |       |
| Accountant                             | *Chris G | \$      | *       |      | 20%  | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   |
| Total Man-hours                        |          |         |         | 0.0  | 26.0 | 105.0 | 132.0 | 235.0 | 219.0 | 199.0 | 234.0 | 234.0 | 239.0 | 254.0 | 254.0 |

| Position                               | 2008 |       |       |       |       |       |       |       |       |       |       |       |
|----------------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                        | Jan  | Feb   | Mar   | Apr   | May   | June  | July  | Aug   | Sept  | Oct   | Nov   | Dec   |
| Mass Excavate/Foundations/Site         |      |       |       |       |       |       |       |       |       |       |       |       |
| Super Structure                        |      |       |       |       |       |       |       |       |       |       |       |       |
| Skin                                   |      |       |       |       |       |       |       |       |       |       |       |       |
| Interiors                              |      |       |       |       |       |       |       |       |       |       |       |       |
| Commissioning & Validation             |      |       |       |       |       |       |       |       |       |       |       |       |
| Close Out                              |      |       |       |       |       |       |       |       |       |       |       |       |
|                                        | 10   | 11    | 12    | 13    | 14    | 15    | 16    | 17    | 18    | 19    | 20    | 21    |
| Project Executive                      | 25%  | 25%   | 25%   | 10%   | 10%   | 10%   | 10%   | 10%   | 10%   | 10%   | 10%   | 10%   |
| Project Sponsor                        | 25%  | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   |
| Senior Project Manager                 | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Project Manager                        | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Process Manager                        | 50%  | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   |
| Equipment Manager                      | 100% |       |       |       |       |       |       |       |       |       |       |       |
| Asst Project manager                   | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Project Engineer                       | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Document Control/ETOP                  | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Scheduler                              | 20%  | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   | 20%   |
| FOC                                    | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Senior Superintendent                  | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Superintendent-CSA/Interiors           | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Superintendent-MEP                     | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Superintendent-Equip/Electrical/Instr. |      | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Safety Manager                         | 100% | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |       | 50%   |
| Buyout & procurement                   |      |       |       |       |       |       |       |       |       |       |       |       |
| Accountant                             | 50%  | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   | 50%   |
| Total Man-hours                        |      | 254.0 | 254.0 | 254.0 | 251.0 | 251.0 | 251.0 | 251.0 | 251.0 | 251.0 | 241.0 | 241.0 |

| Position                               | 2009  |       |      |     |     |       |        |
|----------------------------------------|-------|-------|------|-----|-----|-------|--------|
|                                        | Jan   | Feb   | Mar  | Apr | May | Jun   | TOTALS |
| Mass Excavate/Foundations/Site         |       |       |      |     |     |       |        |
| Super Structure                        |       |       |      |     |     |       |        |
| Skin                                   |       |       |      |     |     |       |        |
| Interiors                              |       |       |      |     |     |       |        |
| Commissioning & Validation             |       |       |      |     |     |       |        |
| Close Out                              |       |       |      |     |     |       |        |
|                                        | 22    | 23    | 24   | 25  | 26  | Total | \$ *   |
| Project Executive                      | 5%    | 5%    |      |     |     |       | \$ *   |
| Project Sponsor                        | 5%    | 5%    | 5%   |     |     |       | \$ *   |
| Senior Project Manager                 | 100%  | 100%  | 50%  |     |     |       | \$ *   |
| Project Manager                        | 100%  | 100%  |      |     |     |       | \$ *   |
| Process Manager                        | 50%   | 50%   | 50%  |     |     |       | \$ *   |
| Equipment Manager                      |       |       |      |     |     |       | \$ *   |
| Asst Project manager                   |       |       |      |     |     |       | \$ *   |
| Project Engineer                       | 100%  | 100%  |      |     |     |       | \$ *   |
| Document Control/ETOP                  | 100%  | 100%  | 50%  |     |     |       | \$ *   |
| Scheduler                              | 20%   |       |      |     |     |       | \$ *   |
| FOC                                    | 100%  | 100%  |      |     |     |       | \$ *   |
| Senior Superintendent                  | 100%  | 100%  |      |     |     |       | \$ *   |
| Superintendent-CSA/Interiors           | 100%  |       |      |     |     |       | \$ *   |
| Superintendent-MEP                     | 100%  | 100%  |      |     |     |       | \$ *   |
| Superintendent-Equip/Electrical/Instr. | 100%  | 100%  |      |     |     |       | \$ *   |
| Safety Manager                         | 25%   | 25%   |      |     |     |       | \$ *   |
| Buyout & procurement                   |       |       |      |     |     |       | \$ *   |
| Accountant                             |       |       |      |     |     |       | \$ *   |
| Total Man-hours                        | 211.0 | 197.0 | 51.0 | 0.0 | 0.0 | 0.0   |        |

#### 4. Basis of Estimate

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## BASIS OF GMP ESTIMATE

The Basis of Estimate is a written explanation stating the clarifications and exclusions used in establishing the Guaranteed Maximum Price estimate dated **March 4**, 2007. The GMP estimate is the primary representation of the anticipated construction costs for the new United Therapeutics Solid dose Facility in Raleigh North Carolina.

The project consists of the construction of a two story production facility totaling approximately 206,000 square feet.

Refer to section 5 n this GMP for documentation prepared and provided by O'Neal Inc. in preparation of this Guaranteed Maximum Price.

## ALLOWANCES

"Owner Allowances" shall mean a sum of money set aside on a cost reimbursable line item basis as an owner's allowance for items United Therapeutics and CM/GC agree have not been sufficiently designed or specified to establish firm line item pricing at the time the Guaranteed Maximum Price is initially agreed upon. When an Owner's allowance line item becomes sufficiently designed or specified to establish firm line item pricing, such item shall be closed out on a lump sum basis by change order signed by CM/GC and United Therapeutics. No expenditure for such line item shall be made prior to closeout of such item, except with the advance written consent of United Therapeutics. Following the closeout of a line item by change order, all costs necessary to achieve completion of such line item work shall be at CM/GC's sole cost and expense.

|                                                                                                                                                                                                                                           |    |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-----------------|
| <b>1. Not Used</b>                                                                                                                                                                                                                        |    | <b>Not Used</b> |
| <b>2. Unsuitable soils</b>                                                                                                                                                                                                                |    |                 |
| <i>Allowance for excavation and removal of unsuitable soils, and replacing of same if required.</i>                                                                                                                                       | \$ | *               |
| <b>3. Exterior Site Signage</b>                                                                                                                                                                                                           |    |                 |
| <i>To include signage, foundations, landscaping, electrical requirements and any other construction systems required for the exterior site entrance sign. Exterior building signage if required; will also be part of this allowance.</i> | \$ | *               |
| <b>4. Reflecting Pools</b>                                                                                                                                                                                                                |    |                 |
| <i>Includes all systems required including: site, foundations, structure, finishes, mechanical and electrical systems.</i>                                                                                                                | \$ | *               |
| <b>5. Aquarium</b>                                                                                                                                                                                                                        |    |                 |
| <i>Includes aquarium chamber and equipment, foundations, structure, finishes, mechanical and electrical systems required. Also included is one (1) pretreatment tank filling, tank cleaning and start up costs.</i>                       | \$ | *               |
| <b>6. Solar Panels</b>                                                                                                                                                                                                                    |    |                 |
| <i>Includes solar panels and any mechanical and electrical systems required by the solar panels. Allowance is based on the 4,288 sq. ft. of panels currently reflected on the contract documents.</i>                                     | \$ | *               |
| <b>7. Courtyard Steps</b>                                                                                                                                                                                                                 |    |                 |
| <i>Includes all cast in place concrete systems; and finish and electrical systems required, as current grading plans dictate steps will be required.</i>                                                                                  | \$ | *               |
| <b>8. Not Used</b>                                                                                                                                                                                                                        |    | <b>Not Used</b> |

**MARCH 4, 2007**

BASIS OF GMP ESTIMATE

DPR CONSTRUCTION, INC.

|                                                                                                                                                                                                                                      |    |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| <b>9. Walkway Pads</b>                                                                                                                                                                                                               |    |   |
| <i>Furnish and install manufacturers' standard roof walkway pads not shown on the construction documents.</i>                                                                                                                        | \$ | * |
| <b>10. Interior Signage</b>                                                                                                                                                                                                          |    |   |
| <i>For code compliant and directional interior signage only</i>                                                                                                                                                                      | \$ | * |
| <b>11. Process Equipment Feeders</b>                                                                                                                                                                                                 |    |   |
| <i>Conduit, wire and connections where circuits are not identified on distribution drawings E7-07 thru E7-13.</i>                                                                                                                    | \$ | * |
| <b>12. Glatt Hookup</b>                                                                                                                                                                                                              |    |   |
| <i>All installation, hook up trim out-work associated with the Glatt equipment and it's components. Scope may include Mechanical, Electrical, control wiring interconnect, insulation ect.. required for equipment installation.</i> | \$ | * |
| <b>13. Fuel Oil</b>                                                                                                                                                                                                                  |    |   |
| <i>Initial fill and top-off for fuel oil testing. Note: Fuel oil allowance of \$2.50/gallon is included in this allowance.</i>                                                                                                       | \$ | * |
| <b>14. Audiovisual Equipment</b>                                                                                                                                                                                                     |    |   |
| <i>All audio visual and sound systems required for the auditorium only. Includes equipment, power, wiring and devices</i>                                                                                                            | \$ | * |
| <b>15. Covered Parking Allowance</b>                                                                                                                                                                                                 |    |   |
| <i>Allowance for covered parking area to include: foundations, structure, exterior "skin" components, roofing, signage, mechanical and electrical systems.</i>                                                                       | \$ | * |

## CONTINGENCIES

1. We have included the following :

- Construction Contingency is included as a DPR controlled contingency. The Construction Contingency can be committed by DPR Construction, Inc without authorization from the Owner in order to cover costs anticipated but not committed to on the current construction documents. These costs may include "scope busts" (i.e. coordination issues between trades), missed scope during the subcontractor bidding process and inefficiencies created by such items as weather, mishaps, etc. Construction Contingency does not account for design revisions or design development revisions that result in an increase in scope or a change in materials that cause an increase in costs. It also does not cover costs associated with schedule delays caused by the owner, the owners' vendors/contractors and the owner's consultants.

**As part of DPR's final billing of the project, any savings to the Contingency GMP will be split between United Therapeutics and DPR Construction at the agreed upon percentages in the contract**

We do not include:

- Course of Construction (COC) Contingency. We consider COC contingency to cover the unforeseen circumstances, code compliance, and unexpected owner revisions. Historically this is 3 to 5% of construction costs. Generally the owner manages and carries this fund.
- Design Contingency.

## CLARIFICATIONS

Please note the following clarifications:

## GENERAL

1. Design, engineering and consultant fees are not included. Pricing represents anticipated construction costs only, not total project costs.
2. Clarifications noted in this "Basis of GMP Estimate" **are intended to supplement the contract documents and clarify our understanding of any conflicting and/or incomplete items.**
3. **Order of document precedence will be as depicted in contract between United Therapeutics and DPR.**
4. This GMP is not a "line item" guarantee. The total amount of this guaranteed Maximum Price is a guaranteed price. Shifting of monies from one line item to another can be accomplished without approval of the owner. Any unused monies, after completion will revert to the owner; unless indicated differently in the owner/contractor agreement.
5. As agreed to in during our contract and insurance negotiations; DPR will carry the Pollution Liability insurance under our company policy with a \$\* deductible. Should United Therapeutics require a project specific Pollution Liability insurance policy with a \$\* deductible, DPR will obtain a quote for this policy.
6. This proposal is based on working regular straight time hours Monday through Thursday from 7:00 a.m. to 5:30 p.m. and excludes overtime and shift premiums.
7. Building permits and local fees are not included. Utility connection fees (i.e. Domestic Water, Natural Gas, Sanitary Sewer, Storm Drain, Fire Water, and Electrical) are by others.
8. State and local taxes are included.
9. DPR Construction, Inc. will connect to water and power sources installed by others for the performance of our work. Consumption costs for power & water for the performance of our work is included, for temporary consumption. When the permanent systems are charged and running, the cost of permanent consumption shall be borne by the owner.
10. **Not Used.**
11. Builders Risk insurance is not included. Owner's policy will be reviewed by DPR. If supplemental insurance is required, an adjustment will be made to this GMP in accordance with contract terms
12. Furniture, fixtures and equipment are excluded.
13. 100% Payment and Performance Bond is excluded. Should a P&P bond be required; add 0.8% of the total cost of the work.
14. Third party testing and inspection is excluded. The owner will employ and pay direct an independent testing lab for testing and inspections required.
15. Un-foreseeable subsurface or concealed conditions or any other conditions not shown in the contract documents are excluded.
16. DPR will employ an exterior wall and roofing consultant to offer a "third party" review of waterproofing details. This cost is included in the GMP.
17. All supplementary conditions and Division 1 specifications referenced in the contract documents are excluded as none were provided.
18. Owner legal and administrative costs are not included.
19. All owner vendors/suppliers/contractors will be required to review and approve the DPR schedule and attend all site meetings that require vendors/suppliers/contractors attendance.
20. Hazardous soils survey and abatement (if required) PCB, asbestos, lead contamination, soil contamination. Removal and/or encapsulation is excluded.
21. Telephones, PBX, computers, printers, networks, software ect.. are not included.
22. Meters, costs of and installation of same is not included.
23. Subguard program for subcontractors is included.

24. Attic stock and spare parts allowances are to be administered via change order except for attic stock required by contract documents.
25. Clean room consumables; final certification of hoods, booths and hepa filters are not included in this GMP.
26. Triple cleaning and sanitization is excluded.
27. Commissioning and validation services are excluded.
28. Mock-ups not specifically specified are not included in this GMP.
29. Code related design items that may be required by the local Fire Marshall and are not currently indicated on the current documents are not included in this GMP.
30. Costs associated with re-routing, re-support, material changes to systems currently designed are not included. All systems (unless noted in this basis of design) are assumed to be coordinated and designed correctly.
31. Davits, window washing equipment is not shown nor included in this GMP.
32. Areas indicated as "hatched" on the floor plans are "shelled" space GMP includes the "demising" partition around these spaces, and code compliant MEP systems. We do not include any finishes, equipment, casework ect. in these spaces.
33. This GMP does not include the cost of a professional engineers stamp on any subcontractor or vendors shop/fabrications drawings unless specifically required by the contract documents
34. Additional costs for schedule compression, out of sequence operations, wage premiums for non-standard working timeframes and associated operations are not included in this GMP.
35. This GMP is based on water used to flush, test and treat piping systems can be dumped into local sanitary drainage systems and that no special treatment, handling and/or off site removal is required. This includes the water after the waste neutralization, sanitary sewer and sanitary sewer POC has been mechanically completed by DPR and start up and debug completed by United Therapeutics.
36. **Window blinds** are not shown nor included in the GMP.
37. **Not Used.**

#### **CP001 - SURVEYING**

1. No Clarifications

#### **CP 002 SITEWORK-SITE UTILITIES & PAVING**

1. Permit or bond costs to work in utility easements are not included.
2. Landscaping and irrigation is not included. The Owner is carrying this cost.
3. Road widening and turn lanes on T.W. Alexander are excluded.
4. Wetland mitigation is excluded.
5. We exclude rock excavation, unsuitable soil removal and replacement, dewatering, special foundations, and wetland mitigation from the jacking pit to the sanitary sewer tie-in at manhole on west side of T.W. Alexander because soil investigation was not done for this area.
6. We exclude removal and relocation of offsite utilities at sanitary sewer crossing beneath T.W. Alexander from jacking pit to tie-in. We exclude easements (EMC and DOT). Easements are needed by 5/01/07 as not to impede site development and DPR schedule.
7. We exclude the following which pertains to routing of primary power and natural gas to the building or equipment yard: clearing and grubbing, tree protection fence, silt fence, erosion control, staking, surveying, and grading. This is assumed to be completed by local utilities.
8. We included clearing and grubbing, erosion control, staking and surveying, and traffic control at the sanitary sewer crossing at T.W. Alexander.
9. Infrastructure work for permanent power and natural gas must be completed as not to impede site development and DPR schedule.

10. We included an allowance of \$\* for the concrete steps at the courtyard as depicted on C1-03.2. Details of the steps have not been provided. We anticipate a reinforced block of concrete with 6” risers and 12” treads without a footing beneath the steps. ***Pavers are included with Hardscape (CP 004)***

#### **CP 004 HARDSCAPE**

1. Concrete pavers will be supplied as Hanover Architectural Products, natural finish, charcoal in color.
2. To meet ICPI specifications, we have included a 1” (inch) sand base over 4” (four) of stone base. Sand swept joints are included.
3. ***Not Used.***

#### **CP 005 CAST IN PLACE CONCRETE**

1. This estimate assumes 12” thick concrete in equipment pad in pads where thicknesses are not indicated.
2. We excluded furnishing the embed angle for the equipment pits. These will be furnished by the equipment vendor per the notes on the drawings.
3. ***Not Used.***
4. Deep foundations, subsurface dewatering and all unusual subsurface conditions to construct new foundations as described above are excluded. None are shown or anticipated.
5. Perimeter drainage around footings is excluded as none is shown.
6. Concealed foundation walls will be formed to a class C finish.
7. Wet curing is included where epoxy and/or terrazzo floors occur.
8. Concrete curb carrying curtain wall partition surrounding process area is included as 18” high x 12” thick ref. 4/A3-106.2, in lieu of 8” as stated in general partition type notes, A0-01.
9. Architectural concrete finishes, special form liners, colored concrete is not included.
10. Rubbed concrete finishes are not included.

#### **CP 006 – STONE SETTING**

1. We included polished black granite installed per Marble Institute of America standards in lieu of the specified thin veneer wall cladding system as follows:
  - 1 ¼” thick on concrete wall.
  - ¾” thick on metal studs at aquarium. This will be a base, a vertical panel, and a cap.
  - 2” thick on exterior walls.

#### **CP 007 MASONRY**

1. Exterior masonry is included as grey ground face masonry with standard grey mortar. Custom color masonry and colored mortar are excluded.
2. Masonry walls that require conventional vertical reinforcing will be reinforced at 32” oc.

#### **CP 008 STRUCTURAL AND MISCELLEANOUS STEEL**

1. We excluded any architecturally exposed structural steel. None is shown or indicated.
2. We excluded any galvanized dipped structural steel except for exposed portions in pipe support structures.
3. We excluded providing a lift or rolling scaffold for the third party steel testing.
4. ***Not Used.***

5. We included four (4) temporary roof opening covers for installation of the Glatt equipment through the roof after installation of the permanent roof system. The covers will consist of a steel frame covered with roof deck with lifting eyes at each corner.
6. Standard gray oxide primer will be used on steel that is to receive the spray fireproof intumescent paint.
7. Post legs at reception counters will have a #4 polish finish.
8. Stainless steel door frames will have a mill finish.
9. Structural supports for the photovoltaic panels are included within the solar panel allowance.

#### **CP 009 MILLWORK**

1. All solid surface materials are priced using “Corian” C color group with a matte finish. Integral solid surface sink bowls are priced using Corian model \$\* available in “A” or “B” color group.
2. Stainless steel and glass “sneeze guards” will consist of straight lengths to form a “faceted” radius.

#### **CP 010 WATERPROOFING AND CAULKING**

1. Even though waterproofing for elevator pits is not indicated, we have included waterproofing all elevator pits.
2. Caulking for slabs on grade is included only where slabs receive a sealed finish.

#### **CP 011 SPRAY ON FIREPROOFING**

1. Fireproofing systems are based on a restrained assembly.

#### **CP 012 METAL PANELS**

1. “Formawall” panel system is based on a 2” thick x 36” wide module. Standard ½” reveal, 20 gauge G-90 non-embossed flat smooth galvanizes steel exterior coated with a 2.4 mil Duraguard Plus florofinish stock color/22 gauge G-90 embossed planked galvanized steel interior coated with standard Artic Ice polyester.
2. Thru-Tube window/panel Integrated system, “Formabond” systems and louvers/panel systems are coated with a 1.6 mil Duraguard florofinish stock color paint, as Duraguard Plus is unavailable for these systems.
3. Tube steel is located at foam panel systems over 29’0” tall only.
4. Stainless Steel column covers and beam wraps are included as Pittcon 1500 series materials.
5. Metal Panels and substrate for same at areas that appear to be “curved and/or radius” are included as segmented panels. Curved wall systems are not included for any exterior wall systems.

#### **CP 013 ROOFING**

1. Walkway pads and roof vents are not indicated. We have included allowances for these items.
2. We included rigid insulation; **TPO** roof membrane and gravel stop over the four (4) temporary roof opening covers for installation of the Glatt equipment through the roof after installation of the permanent roof system.
3. ***Per Approved V/E (013-010 roofing systems are based on a 60 mil TPO roofing system in lieu of EPDM.***

#### **CP 014 DOORS/FRAMES/HARDWARE**

1. Extended maintenance and quarterly preventive maintenance of finish hardware per section 087111 paragraphs 1.8 A and B is not included.



**CP 015 SPECIAL DOORS**

1. Photo eye operation for sliding doors is included. We excluded radio controlled actuators, motion detection, and loop detection for operation.
2. Remote mounted push button station for aluminum overhead door is excluded.
3. Medium service doors were not indicated on the finish Schedule; therefore we exclude these doors.
4. Push button operation for high speed fabric roll up doors is included. We exclude radio controlled actuators, motion detection and loop detection for operation.
5. The overhead and coiling doors will be as manufactured by Cornell as the specified manufacturers (Overhead Door and Raynor) could not meet the specification. These doors include: roll up service doors, fire rated coiling shutters, rolling steel fire doors, and roll up security grills.

**CP 016 GLASS AND GLAZING**

1. No clarifications

**CP 017 DRYWALL**

1. Vacuum cleaning of drywall track for cGMP clean build practices for pharmaceutical facilities is included in this proposal.
2. Single room mockup for Level 5 baseline is included.

**CP 018 TILE**

1. We excluded patterns in the tile installation.

**CP 019 ACOUSTICAL**

1. Fabric panel system is based on standard white finish; not custom colors.
2. Wood panel ceilings are based on "plain sliced", readily available hardwood veneers. (red oak, birch or ash)

**CP 020 VINYL/WOOD/CARPET FLOORING SYSTEMS**

1. VCT is included as Armstrong "Stonetex" in manufacturers' standard colors.
2. We excluded patterns in the vinyl flooring installation.
3. Carpet Tile is included as an allowance of \$\*/sy (installed).
4. Sleeper system under wood floors is included as: 1x4 treated material (16" o.c.) with ½" plywood over sleepers (2" thickness). 15# felt will be installed as an underlayment for Northern Hard Maple MFMA floors. Floors will be finished with one (1) seal coat and three (3) Urethane Poly coats. Grain direction will remain in the same direction in all areas.
5. We excluded patterns in the wood floor installation. All boards are assumed to run in the same direction.
6. We excluded vapor transmission barrier beneath the floor coverings.

**CP 021 EPOXY FLOORING SYSTEMS**

1. Resinous flooring is included on platform stair landings and platforms in the Glatt rooms. The stair treads are checkered plate as shown.
2. We included vapor transmission barrier beneath the resinous floor and epoxy terrazzo.

**CP 022 PAINTING**

1. Exterior masonry is unpainted.

2. The vinyl wall covering is included as a material allowance of \$\* per lineal yard, which is the average price of the five selections. The location of the five selections is undefined on the finish schedule.
3. Wood paneling will be field finished.

#### **CP 023 SPECIALTIES**

1. Fiberglass shower stalls will have an embossed tile pattern as shown on the interior elevations.
2. Toilet accessories are included per the schedule on the drawings as a specification has not been issued.
3. We included a total of 63 fire extinguishers and cabinets.

#### **CP 024 SIGNAGE**

1. See allowances.

#### **CP 025 FOLDING PARTITIONS**

1. No clarifications

#### **CP 026 LOCKERS**

1. No clarifications

#### **CP 027 WIRE PARTITIONS**

1. Wire partitions are 18' in height as shown on the building sections.

#### **CP 028 LABORATORY CASEWORK**

1. Non-elevated casework in glasswash 11214 and 11210 are included as steel cabinets with 1" epoxy countertops.
2. Steel adjustable shelving is included in room 11211.
3. Island cores are 12" wide as shown. Wall cores are 8" wide as shown. Cores do not extend to the ceiling.
4. Field ASHRAE testing for fume hoods is included. We assume this task will be witnessed by the Owner's commissioning agent.
5. Fixtures are included as "Watersaver Colortech" (specification conflict).
6. Mobile Lab Carts and vandal resistant fixtures are not included.
7. Standard roller catches are included in lieu of magnetic.

#### **CP 029 SEATING**

1. Seating uprights are furnished in manufacturer's standard colors.

#### **CP 030 ELEVATORS**

1. Full height safety glass with baked enamel frame is included for the rear wall only.
2. ***Manufacturers "standard" ceiling height is included for the passenger elevator, per V/E (030-01).***

#### **GENERAL NOTES – MECHANICAL, ELECTRICAL AND PROCESS TRADES**

1. This proposal is based upon shell construction of the second floor process area and the first floor kitchen area. We shall bring all services into the area and cap off each service for future connection. In addition, we shall furnish and set all equipment serving the area. To this end,

the future construction of these areas shall not interfere with the ongoing operations outside of this future construction. This proposal includes code required fire alarm and emergency lighting. We shall provide a minimal amount of HVAC for space conditioning and freeze protection.

2. This proposal is based on utilizing the new HVAC equipment for temporary heating, ventilation and air conditioning during the finishing trades work and is based on a duration of six months. We have included start up, testing and operation of the equipment for this duration. We have included cleaning, filter change out and extended warranty costs for this activity.
3. This proposal includes “clean build” protocol requirements.
4. This proposal excludes MEP trade assistance with system commissioning and validation. Once these contractors are hired by the owner, we can then ascertain the correct amount of assistance required dependent on duration.
5. This proposal excludes seismic bracing and restraints.
6. This proposal excludes costs for installation of items marked as “future”.

#### CP 031 – HVAC AND PLUMBING

1. This proposal includes additional isolation valves at HVAC service mains to shut down portions of the piping systems to make repairs or perform service without having to shut down entire systems which may affect building operations. All equipment has isolation valves as shown on the construction hook up details.
2. This proposal includes trap primers at floor drains where a constant flow of water is not available.
3. This proposal excludes the furnishing of the propane tanks.
4. This proposal includes electric heat tracing of the make up water to the cooling towers as shown on the construction documents and we exclude heat tracing for the exterior condenser water piping and fuel oil piping. These piping services are insulated.
5. This proposal includes air curtains shown on the construction drawings and which are not scheduled.
6. This proposal includes costs for roof drains shown on the architectural drawings, which are not shown on the plumbing drawings.
7. This proposal includes steam piping from the humidifiers to the dispersion tubes at the air handlers, which is not shown on the construction drawings.
8. This proposal includes costs to insulate all ductwork in mechanical rooms, penthouses and lower than seven feet above the finished floor in rigid duct board in lieu of duct wrap as specified.
9. This proposal **includes** a grease trap which would be associated with the kitchen build out.
10. The fuel oil storage and delivery system serves the emergency generators and boilers only. The emergency generators are furnished with belly tanks for fuel oil storage, as specified and shall act as day tanks for the fuel oil delivery system to the emergency generators.
11. This proposal includes \$\* of equipment, piping and ductwork currently not shown on the construction documents and incorporated for a complete and operation systems. The systems and costs are as follows:

|                                                           |    |   |
|-----------------------------------------------------------|----|---|
| High and Low Pressure Steam and Condensate Systems Piping | \$ | * |
| Boiler Feedwater Piping                                   | \$ | * |
| Boiler Blowdown Piping                                    | \$ | * |
| Chemical Feed Piping                                      | \$ | * |
| Vents and Drains                                          | \$ | * |
| Pumped Condensate Piping                                  | \$ | * |
| Cooled Steam Condensate                                   | \$ | * |

|                                              |    |   |
|----------------------------------------------|----|---|
| Steam to Cooling Towers                      | \$ | * |
| AHU Condensate Drain Piping                  | \$ | * |
| Rupture Disc Piping                          | \$ | * |
| Heating Hot Water Piping to Reflecting Pools | \$ | * |
| Air Curtains                                 | \$ | * |
| BI/BO Filter Housings for Dust Collectors    | \$ | * |

These values are approximate and shown for clarification that we have attempted to include all materials for a complete and operational system. These costs do not include any item which is reasonably unforeseeable.

12. This proposal includes ductwork constructed to the specified duct construction standards. There is value engineering available to reduce the duct construction standards appropriate for the related equipment external static pressures. Any duct system which is not currently marked with a system construction pressure class shall be constructed using the external static pressure on the equipment schedule. Please refer to the value engineering list.
13. This proposal excludes any sound attenuation other than that which is specified to be furnished with the HVAC equipment.
14. This proposal excludes duct lining.
15. This proposal is based upon utilizing schedule 80 polypropylene pipe and schedule 40 polypropylene fittings for the process waste and vent system.
16. This proposal excludes DOP and filter integrity testing.
17. **As per the V/E session on 03/02/07 this proposal includes:**
  - **item #031-02; revision of above ground sanitary sewer drainage piping from extra heavy cast iron hub and spigot pipe and fitting to service weigh no hub cast iron pipe and fittings.**
  - **item #031-04; a change of the carbon steel piping specification from A-106 pipe to A53 ERM pipe for heating hot water, chilled water, chiller vent, propane, and condenser water only. All steam and steam condensate piping shall remain seamless.**
  - **item #031-05; the steam boiler relief vent piping shall vent each boiler separately in lieu of a header configuration as currently designed.**
  - **item #031-06; the ductwork classification of air handling units #1 and #2 shall be changed from 10" wg to 3" wg SMACNA duct construction standards.**
  - **item #031-07; the ductwork material specification for air handling systems #1 and #2 have been changed from stainless steel to galvanized steel construction.**
  - **item #031-08; the ductwork classification of air handling units #5, #8, #9, #12, #14 and #16 shall be changed from 10" wg to 3" wg SMACNA duct construction standards.**
  - **item #031-11; the ductwork material specification for low wall return duct shall change from 16 gage stainless steel to 20 gage stainless steel.**

#### **CP 032 – FIRE PROTECTION**

1. This proposal includes a prefabricated pump house for the fire protection pump.
2. This proposal includes upright sprinkler heads at the shelled areas.
3. This proposal is based upon a 1500 GPM fire pump.
4. This proposal excludes a spare tank of fire suppression system gas.
5. This proposal includes a water curtain on both sides of the two story glass window at the process areas as required by NFPA-13.

6. This proposal includes two temporary fire protection standpipes connected to a common fire department connection for temporary fire protection during the course of construction.
7. This proposal excludes fire suppression at the kitchen hood (shelled area).
8. This proposal excludes a fire water storage tank.
9. This proposal is based upon submission of drawings stamped by a NICET certified fire protection system designer. This proposal excludes a professional engineers stamp.

#### **CP 033 – ELECTRICAL AND FIRE ALARM**

1. This proposal is based upon utilizing three (3) Caterpillar 750kW emergency generators. The specified generator manufacturer could not meet the specification requirements. The proposed emergency generators provide a significant cost savings and meet the intent of the specification requirements.
2. This proposal is based upon utilizing a Siemens access control and closed circuit television system.
3. This proposal excludes cable tray. The voice / data system rough in costs contained in this proposal are limited to in wall conduit terminating with a 90 degree bend at the accessible ceiling space, wall outlet boxes and pull cord; and the two (2) – 4” conduits from the Server Room terminating at the property line as shown on drawing ES1-02.
4. This proposal excludes voice / data equipment, cabling, devices, terminations and testing.
5. This proposal is based upon the local power utility company furnishing and installing the transformers, pull boxes, conduit and associated cabling to the primary side of the transformers to the location shown on the construction drawings.
6. This proposal includes two 480 volt, 125 amp power connections to a single point on each of the packaging line equipment. All electrical work beyond that point shall be furnished and installed by the manufacturer.
7. This proposal is based on all wiring being installed in conduit, except for in wall cabling within the office area; that wiring shall be installed in MC cable. item 033-07. ***As per the value engineering session this proposal includes item#033-08; which utilizes MC cable in the accessible ceiling office areas in lieu of conduit, except for home runs.***
8. This proposal excludes power for motor controlled window shades. We cannot ascertain a quantity. We can furnish power for the cost of \$\* per shade / power location.
9. This proposal is based upon utilizing EMT conduit at the mechanical rooms and penthouses in lieu of rigid steel conduit as specified.
10. This proposal includes PVC coated conduit at process areas where conduit is exposed and subject to wash down.
11. This proposal includes two 30 amp circuits for site entrance signage.
12. This proposal excludes audio / visual rough in, equipment, cabling, devices, terminations and testing.
13. This proposal is based on site lighting furnished and installed according to the electrical drawings labels ES1-01 and ES1-03.
14. This proposal excludes sound isolation pads behind in-wall electrical boxes.

#### **CP 034 – BUILDING AUTOMATION SYSTEMS AND PROCESS CONTROLS**

1. This proposal is excludes monitoring of the coolers and freezers.
2. This proposal includes 200 man hours of premium time differential for off hours controls system start up and testing.
3. This proposal includes additional coordination time between the controls and the balancing contractors.
4. This proposal is based on all controls wiring being installed in EMT except in classified areas where rigid conduit is required by code.

5. This proposal is based on utilizing Cat 5e plenum rated cable for control and communications wiring between the VAV boxes in the office area ceilings.
6. This proposal includes bench testing, field testing and field calibration of all instruments and controls devices.
7. This proposal includes DPR supervision of all controls functional testing.
8. This proposal is based on client input for the development of the controls programming and the visual output of the software.
9. This proposal is based on 15 calendar days for Operational Acceptance Test in lieu of the 30 consecutive day test required by specification section 255100, paragraph 3.8.C and D.

#### **CP035 – TESTING AND BALANCING**

1. This proposal includes additional man hours to coordinate the testing and balancing work with the MEP subcontractors prior to starting the work and to ascertain all controls, valves and devices are oriented, accessible and properly tagged.
2. This proposal includes additional costs for the testing and balancing agent to coordinate with the master commissioning plan.
3. This proposal includes additional costs for the testing and balancing agent to review the mechanical and electrical turn over packages prior to submission to the owners commissioning and validation agents.

#### **CP 036 – PROCESS PIPING AND PROCESS EQUIPMENT SETTING**

1. This proposal includes non-video boroscoping of only the orbital welded hygienic piping systems inclusive of WPU, WIP and RO. ***Add alternate pricing to follow for the cost of video boroscoping the WPU piping only.***
2. This proposal is based upon utilizing argon as the pressure testing medium in lieu of water.
3. This proposal is based upon utilizing L hard copper tubing with wrought copper fittings for pipe sizes 2" and smaller and schedule 10 stainless steel piping with grooved fittings for the compressed air system. The copper joints shall be silver solder brazed. This is in place of the schedule 40 black piping with welded fittings and copper tubing with 95/5 solder joints as specified. This is done due to the compressed air connections to the process equipment.
4. This proposal includes nitrogen and compressed air drops as shown. There is no detail for the drops except for connection to panels. All "loose" drops shall be furnished with a shut off valve only to 5' above the finished floor.
5. Regarding discrepancies between the flow diagrams and P&ID's; this proposal includes installation of the larger pipe size. This occurs at three locations involving WPU water.
6. This proposal excludes the WPU, CA, HW and CW panels shown on detail no. 4 on drawing R5-001. We were not able to find this panel on any orthographic drawing.
7. This proposal includes passivation of the WPU, WIP, RO and Acetone piping systems only. We have excluded passivation of the stainless steel process ductwork.
8. This proposal excludes costs for installation of atomizing air piping and is considered to be part of the Glatt machine hook up allowance.
9. This proposal excludes costs for solutions piping. There is insufficient information on the construction documents to ascertain installation costs.
10. This proposal excludes radiographic and / or ultrasonic examination of process piping.
11. This proposal includes ½" block valves at various locations for instrument air piping furnished under the controls contract.
12. This proposal includes RO water to the humidifiers serving process areas. Currently, there is no water piping shown to the humidifiers. These drops are shown on the P&ID's, but not on the P drawings.

13. There is currently no information for the flame arrestors shown on P&ID R6-003 and P&ID R6-004. We have included a cost of \$\* each for these items.
14. This proposal is based upon the acetylene piping being constructed under specification section SS03.
15. This proposal excludes CAP 30 and CAP 100 piping. There is none shown on the construction drawings.
16. This proposal excludes furnishing and installation of thermal insulation for process equipment furnished by the owner for installation under this scope of work.

**CP 037 - ENVIRONMENTAL ROOMS**

1. Room structures will consist of 4" urethane insulated panels with 0.032 white stucco aluminum interior and exterior finish. Panels will join with camlocks at panel edges. Panels will comply with ASTM E-84 and FM 4894 class 1 standards.
2. Refrigerator is designed to operate at 4 degree C (+/- 1 degree C) and supporting a "live load" of 10 w/sf. Freezer s designed to operate at -20 degree C (+/- 1 degree C) and supporting a "live load" of 2 w/sf.
3. Refrigerator floor will have a 4" insulated cam lok floor with a 14 gauge galvanized steel top and 1/8" thick tempered board aluminum top and load capacity of 600 PSF. Armstrong Corlon (standard selections) is included as a finish floor material. Ramps are not included.
4. Illumination will be 50 foot candles 40" AFF.
5. Control panel to include Honeywell 10" two pen circular controller and two (2) Honeywell UDC-2500 PID Controllers.
6. Three line hot gas by-pass design and R-404 refrigerant are included in both rooms.
7. Pressurized ceiling plenum with egg-crate tiles and anodized aluminum grid is not included.

**CP 038 – CHAIN LINK FENCE**

1. No clarifications

**CP 039 – STORAGE RACKS**

1. No clarifications

- END OF BASIS OF ESTIMATE -

5. List of Contract Documents

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## LIST OF DOCUMENTS

DPR Project Number: 16-26002, Various Dates

### United Therapeutics

3000 RDU Center Drive, Suite 200  
Morrisville, NC 27560

### Architect:

Civil Engineer / Structural Engineer:

Landscape Architect:

Surveyor:

O'Neal Engineering, Inc.

Criser Troutman Tanner Consulting Engineers

Lappas & Havener, PA

The John R. McAdams Company, Inc.

### A. Specifications

#### ARCHITECTURAL

| Specification No. | Description                                                      | Revision Date | Revision Number |
|-------------------|------------------------------------------------------------------|---------------|-----------------|
| 033053            | Concrete slab on grade substrates (...to receive epoxy terrazzo) | 11/21/06      | 0               |
| 033513            | Curing, sealing, and hardening concrete floors                   | 11/21/06      | 0               |
| 033713            | Shotcrete                                                        | 11/21/06      | 0               |
| 042200            | Unit Masonry Assemblies                                          | 11/21/06      | 0               |
| 044243            | Exterior Wall Cladding System                                    | 01/24/07      | 0               |
| 054000            | Cold formed Metal Framing                                        | 11/21/06      | 0               |
| 055000            | Metal Fabrications                                               | 11/21/06      | 0               |
| 055213            | Pipe and Tube Railings                                           | 11/21/06      | 0               |
| 057200            | Stainless Steel Railing Systems                                  | 11/21/06      | 0               |
| 062023            | Interior Finish Carpentry                                        | 11/21/06      | 0               |
| 064023            | Interior Architectural Woodwork                                  | 11/21/06      | 0               |
| 066513            | Solid Surface Fabrications                                       | 11/21/06      | 0               |
| 071353            | Elastomeric Sheet Waterproofing                                  | 11/21/06      | 0               |
| 072100            | Thermal Insulation                                               | 11/21/06      | 0               |
| 074212            | Exterior Insulated Horizontal Metal Wall Panels                  | 11/21/06      | 0               |
| 074243            | Metal Composite Wall System                                      | 11/21/06      | 0               |
| 075323            | EPDM Membrane Roof                                               | 11/21/06      | 0               |
| 077129            | Manufactured Roof Expansion Joints                               | 11/21/06      | 0               |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|           |                                                                 |          |   |
|-----------|-----------------------------------------------------------------|----------|---|
| 078100    | Sprayed Fire Resistive Materials                                | 11/21/06 | 0 |
| 078400    | Through Penetration Firestop Systems                            | 11/21/06 | 0 |
| 078446    | Fire Resistive Joint Systems                                    | 11/21/06 | 0 |
| 079200    | Joint Sealants                                                  | 11/21/06 | 0 |
| 079500    | Expansion Control                                               | 11/21/06 | 0 |
| 081113    | Steel Doors and Frames                                          | 11/21/06 | 0 |
| 081416    | Flush Wood Doors                                                | 11/21/06 | 0 |
| 081613    | FRP Personnel Doors                                             | 11/21/06 | 0 |
| 083000    | Specialty Door Systems                                          | 11/21/06 | 0 |
| 083113    | Access Doors and Frames                                         | 11/21/06 | 0 |
| 083323    | Overhead Coiling Doors and Fire Shutters                        | 11/21/06 | 0 |
| 083326    | Overhead Coiling Security Grilles                               | 11/21/06 | 0 |
| 084100    | Aluminum Entrances and Storefronts                              | 11/21/06 | 0 |
| 084233    | Revolving Door Entrances                                        | 11/21/06 | 0 |
| 084413    | Aluminum Curtain Wall                                           | 11/21/06 | 0 |
| 084426    | Structural Glass Curtain Wall                                   | 11/21/06 | 0 |
| 084523    | Insulated translucent Fiberglass Sandwich Panel Skylight System | 11/21/06 | 0 |
| 085123    | Steel Window Frames                                             | 11/21/06 | 0 |
| 087111    | Door Hardware                                                   | 11/21/06 | 0 |
| 087111    | Hardware Schedule                                               | 11/21/06 | 0 |
| 087113    | Automatic Door Operators                                        | 11/21/06 | 0 |
| 088000    | Glazing                                                         | 11/21/06 | 0 |
| 088400    | Plastic Glazing                                                 | 11/21/06 | 0 |
| 092116.23 | Gypsum Board Shaft Wall Assemblies                              | 11/21/06 | 0 |
| 092213    | Non- Load Bearing Steel Framing                                 | 11/21/06 | 0 |
| 092900    | Gypsum Board                                                    | 11/21/06 | 0 |
| 093000    | Tiling                                                          | 11/21/06 | 0 |
| 095113    | Acoustical Panel Ceilings                                       | 11/21/06 | 0 |
| 095133    | Acoustical Metal Wall /Ceiling Panel Systems                    | 11/21/06 | 0 |
| 095424    | Flat Panel Wood Ceiling Systems                                 | 11/21/06 | 0 |
| 095443    | Stretch Fabric Ceiling Systems                                  | 11/21/06 | 0 |
| 096400    | Wood Flooring                                                   | 11/21/06 | 0 |
| 096513    | Resilient Wall Base and Accessories                             | 11/21/06 | 0 |
| 096516    | Resilient Sheet Flooring                                        | 11/21/06 | 0 |
| 096519    | Resilient Tile Flooring                                         | 11/21/06 | 0 |
| 096536.13 | Resilient Tile Flooring (static dissipative)                    | 11/21/06 | 0 |
| 096623    | Epoxy Terrazzo                                                  | 11/21/06 | 0 |
| 096723    | Resinous Flooring                                               | 11/21/06 | 0 |
| 096813    | Carpet Tile                                                     | 11/21/06 | 0 |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|                         |                                                       |          |   |
|-------------------------|-------------------------------------------------------|----------|---|
| 097513                  | Solid Surface Wall Cladding                           | 11/21/06 | 0 |
| 099323                  | Wood Stains and Transparent Finishes                  | 11/21/06 | 0 |
| 099600                  | High Performance Coatings                             | 11/21/06 | 0 |
| 101423                  | Signs                                                 | 11/21/06 | 0 |
| Signage Job Description | Page 1                                                | 11/12/06 | 0 |
| 102113.19               | Toilet Compartments                                   | 11/21/06 | 0 |
| 102226.13               | Accordion Folding Partitions                          | 11/21/06 | 0 |
| 102226.33               | Operable Partition Panels                             | 11/21/06 | 0 |
| 102623                  | Protective Sheet Wall Covering                        | 11/21/06 | 0 |
| 104400                  | Fire protective Specialties                           | 11/21/06 | 0 |
| 105113                  | Metal Lockers                                         | 11/21/06 | 0 |
| 111300                  | Loading Dock Equipment                                | 11/21/06 | 0 |
| 111900                  | Security Cage for Quarantine, Label Store and Control | 11/21/06 | 0 |
| 123553.13               | Metal Laboratory Casework                             | 11/21/06 | 0 |
| 126112                  | Upholstered Audience Seating                          | 11/21/06 | 0 |
| 142400                  | Hydraulic Elevators                                   | 11/21/06 | 0 |

## **ELECTRICAL**

| <b>Specification No.</b> | <b>Description</b>                                                              | <b>Revision Date</b> | <b>Revision Number</b> |
|--------------------------|---------------------------------------------------------------------------------|----------------------|------------------------|
| 260500                   | Common Work Results for Electrical                                              | 11/21/06             | 0                      |
| 260510                   | Grounding and Bonding                                                           | 11/21/06             | 0                      |
| 260519                   | Conductors and Cables — 600V & Below                                            | 11/21/06             | 0                      |
| 260522                   | Raceways and Boxes                                                              | 11/21/06             | 0                      |
| 260529                   | Hangers & Supports for Electrical Systems                                       | 11/21/06             | 0                      |
| 260553                   | Electrical Identification                                                       | 11/21/06             | 0                      |
| 262213                   | Dry Type Transformers                                                           | 11/21/06             | 0                      |
| 262300                   | Switchgear                                                                      | 11/21/06             | 0                      |
| 262413                   | Switchboard                                                                     | 11/21/06             | 0                      |
| 262416                   | Panelboards                                                                     | 11/21/06             | 0                      |
| 262419                   | Motor Control Centers                                                           | 11/21/06             | 0                      |
| 262726                   | Wiring Devices                                                                  | 11/21/06             | 0                      |
| 262813                   | Fuses: 600 VAC and Below                                                        | 11/21/06             | 0                      |
| 262913                   | Low Voltage Motor Starters — Individual                                         | 11/21/06             | 0                      |
| 262923                   | Variable Frequency Drives                                                       | 11/21/06             | 0                      |
| 263213                   | Bi-Fuel Emergency Engine Generator Distribution Switchgear and Pre-Fab Building | 11/21/06             | 0                      |
| 263253                   | Static Uninterruptible Power Supply Guide Specification                         | 11/21/06             | 0                      |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|        |                                          |          |   |
|--------|------------------------------------------|----------|---|
| 263623 | Transfer Switches                        | 11/21/06 | 0 |
| 263819 | Motors — AC 200HP & Below (Single Speed) | 11/21/06 | 0 |
| 265113 | Building Lighting                        | 11/21/06 | 0 |
| 267010 | Safety/Disconnect Switches               | 11/21/06 | 0 |
| 283100 | Fire Alarm System                        | 11/21/06 | 0 |

## **MECHANICAL**

| <b>Specification No.</b> | <b>Description</b>                              | <b>Revision Date</b> | <b>Revision Number</b> |
|--------------------------|-------------------------------------------------|----------------------|------------------------|
| 011113.23                | Mechanical General Provisions                   | 11/21/06             | 0                      |
| 220500                   | Common Work Results for Plumbing                | 11/21/06             | 0                      |
| 223500                   | Domestic Hot Water Generator                    | 11/21/06             | 0                      |
| 224200                   | Plumbing Fixtures                               | 11/21/06             | 0                      |
| 224500                   | Emergency Plumbing Fixtures                     | 11/21/06             | 0                      |
| 226100                   | Compressed Air Generation System                | 11/21/06             | 0                      |
| 226200                   | Central Vacuum System                           | 11/21/06             | 0                      |
| 230500                   | Common Work Results for HVAC                    | 11/21/06             | 0                      |
| 230533                   | Heat Tracing for HVAC Piping                    | 11/21/06             | 0                      |
| 230700                   | Mechanical Insulation                           | 11/21/06             | 0                      |
| 230701                   | Mechanical Equipment Insulation                 | 11/21/06             | 0                      |
| 230800                   | Start-up of Mechanical Systems                  | 11/21/06             | 0                      |
| 230801                   | Testing, Adjusting and Balancing                | 11/21/06             | 0                      |
| 231114                   | Fuel Oil System                                 | 11/21/06             | 0                      |
| 232100                   | General Piping Specifications                   | 11/21/06             | 0                      |
| Service Index            | Page 1, Page 2                                  | 11/21/06             |                        |
| 232101                   | Mechanical Valves                               | 11/21/06             | 0                      |
| 232102                   | Piping Specialties                              | 11/21/06             | 0                      |
| 232103                   | Hangers and Supports                            | 11/21/06             | 0                      |
| 232105                   | Centrifugal Pumps                               | 11/21/06             | 0                      |
| 232106                   | Mechanical Identification                       | 11/21/06             | 0                      |
| 232107                   | Mechanical Sound, Vibration and Seismic Control | 11/21/06             | 0                      |
| 232213                   | Steam and Condensate Piping                     | 11/21/06             | 0                      |
| 232223                   | Steam Condensate Pumps                          | 11/21/06             | 0                      |
| 232500                   | HVAC Water Treatment                            | 11/21/06             | 0                      |
| 233100                   | HVAC Ductwork and Accessories                   | 11/21/06             | 0                      |
| 233101                   | Metal Process Ductwork and Accessories          | 11/21/06             | 0                      |
| 233300                   | Duct Accessories                                | 11/21/06             | 0                      |
| 233400                   | Centrifugal Fans                                | 11/21/06             | 0                      |
| 233500                   | Power Ventilators                               | 11/21/06             | 0                      |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|        |                                                   |          |   |
|--------|---------------------------------------------------|----------|---|
| 233501 | Dust Collectors                                   | 11/21/06 | 0 |
| 233600 | Air Terminals                                     | 11/21/06 | 0 |
| 233601 | HEPA Filter Housings                              | 11/21/06 | 0 |
| 233602 | HEPA Filter Terminal Units                        | 11/21/06 | 0 |
| 233700 | Air Inlets and Outlets                            | 11/21/06 | 0 |
| 233723 | HVAC Gravity Ventilators                          | 11/21/06 | 0 |
| 233813 | Commercial Kitchen Hoods                          | 11/21/06 | 0 |
| 235100 | Breeches, Chimneys and Stacks                     | 11/21/06 | 0 |
| 235239 | Fire Tube Boilers                                 | 11/21/06 | 0 |
| 235313 | Boiler Feedwater Pumps                            | 11/21/06 | 0 |
| 235316 | Deaerators and Surge Tanks                        | 11/21/06 | 0 |
| 235700 | Heating Hot Water Generation Skid                 | 11/21/06 | 0 |
| 236400 | Centrifugal Liquid Chiller — Water Cooled         | 11/21/06 | 0 |
| 236500 | Packaged Induced Draft Cooling Towers             | 11/21/06 | 0 |
| 237313 | Modular Indoor Central Station Air Handling Units | 11/21/06 | 0 |
| 237500 | Custom Air Handling Unit                          | 11/21/06 | 0 |
| 238219 | Fan Coil Units                                    | 11/21/06 | 0 |
| 238239 | Unit Heaters                                      | 11/21/06 | 0 |
| 238400 | Humidifiers                                       | 11/21/06 | 0 |
| 259500 | Integrated Automation Control Sequences for HVAC  | 11/21/06 | 0 |

## **CIVIL**

| <b><u>Specification No.</u></b> | <b><u>Description</u></b>          | <b><u>Revision Date</u></b> | <b><u>Revision Number</u></b> |
|---------------------------------|------------------------------------|-----------------------------|-------------------------------|
| 311000                          | Site Clearing                      | 11/21/06                    | 1                             |
| 312000                          | Earth Moving                       | 11/21/06                    | 1                             |
| 312319                          | Dewatering                         | 11/21/06                    | 1                             |
| 313116                          | Termite Control                    | 11/21/06                    | 1                             |
| 321216                          | Asphalt Paving                     | 11/21/06                    | 1                             |
| 321313                          | Concrete Paving                    | 11/21/06                    | 1                             |
| 321373                          | Concrete Paving Joint Sealants     | 11/21/06                    | 0                             |
| 323113                          | Chain Link Fences and Gates        | 11/21/06                    | 1                             |
| 329200                          | Turf and Grasses                   | 11/21/06                    | 1                             |
| 330500                          | Common Work for Utilities          | 11/21/06                    | 1                             |
| 334100                          | Storm Utility Drainage Piping      | 11/21/06                    | 1                             |
| 334713                          | Pond and Reservoir Liners          | 11/21/06                    | 1                             |
| 221113                          | Facility Water Distribution Piping | 11/21/06                    | 1                             |
| 221313                          | Facility Sanitary Sewers           | 11/21/06                    | 1                             |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

## **PROCESS**

| <b>Specification No.</b>    | <b>Description</b>                                                                                                                                                                                                                                                  | <b>Revision Date</b> | <b>Revision Number</b> |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------|
| 105613                      | Metal Storage Racks                                                                                                                                                                                                                                                 | 11/21/06, 11/6/06    | 0                      |
| 132126                      | Cold Storage Rooms                                                                                                                                                                                                                                                  | 11/21/06             | 0                      |
| 402001                      | Piping Material and Methods                                                                                                                                                                                                                                         | 11/21/06             | 0                      |
| Piping System Service Index | Index, SS01, SS02, SS03, SS05, SS06 [Totaling 6 pages]                                                                                                                                                                                                              | 11/21/06             | 0                      |
| 402002                      | Sanitary Pharmaceutical Piping                                                                                                                                                                                                                                      | 11/21/06             | 0                      |
| Equipment List              | Pages: 1 (of 112), 2 (of 112), 3 (of 112), 4 (of 112), 5 (of 112), 6 (of 112), 7 (of 112), 8 (of 112), 9 (of 112) and 10 (of 112)                                                                                                                                   | 11/21/06             | 0                      |
| Room Data Summary           | Pages: 1 (of 118), 2 (of 118), 3 (of 118), 4 (of 118), 5 (of 118), 6 (of 118), 7 (of 118), 8 (of 118), 9 (of 118), 10 (of 118), 11 (of 118), 12 (of 118), 13 (of 118), 14 (of 118), 15 (of 118), 16 (of 118), 17 (of 118), 18 (of 118), 19 (of 118) and 20 (of 118) | 11/21/06             | 0                      |
| Room Design Criteria        | Pages 11205-11240, 11242-11253, 11255-11260, 11301-11309, 11321-11322, 11324, 12321, 12324, 12331, 12337-12339, 12342, 12343, 21249-21256, 21258-21272 and unlabelled last page [Totaling 98 pages]                                                                 | 11/21/06             | 0                      |

## **FIRE PROTECTION**

| <b>Specification No.</b> | <b>Description</b>                                                  | <b>Revision Date</b> | <b>Revision Number</b> |
|--------------------------|---------------------------------------------------------------------|----------------------|------------------------|
| 213116                   | Diesel Horizontal Centrifugal Fire Pumps [and fire pump data sheet] | 11/21/06             | 0                      |
| 211313                   | Fire Protection System                                              | 11/21/06             | 0                      |
| 212200                   | Total Flooding Fire Suppression System                              | 11/21/06             | 0                      |

## **INSTRUMENTATION AND CONTROLS**

| <b>Specification No.</b> | <b>Description</b>                                               | <b>Revision Date</b> | <b>Revision Number</b> |
|--------------------------|------------------------------------------------------------------|----------------------|------------------------|
| 011113.17                | Work Covered By Contract Documents Controls Work                 | 11/21/06             | 0                      |
| 250500                   | Common Work Results for Integrated Automation                    | 11/21/06             | 0                      |
| 251316                   | Integrated Automation Control and Monitoring Network Integration | 11/21/06             | 0                      |

|                                        |                                                                |          |   |
|----------------------------------------|----------------------------------------------------------------|----------|---|
|                                        | Panels                                                         |          |   |
| 255100                                 | Integrated Automation Control of Facility Equipment            | 11/21/06 | 0 |
| 259100                                 | Integrated Automation Control Sequences for Facility Equipment | 11/21/06 | 0 |
|                                        | Instrument Index                                               | 11/21/06 |   |
|                                        | Instrument Specifications                                      | 11/21/06 | 0 |
|                                        | I/O Count                                                      | 11/21/06 | 0 |
|                                        | I/O Schedule                                                   | 11/21/06 | 0 |
| New RTP Facility (thermowell sketches) | Pages 1 -6                                                     | 11/21/06 |   |

## **STRUCTURAL STEEL**

| Specification No. | Description            | Revision Date | Revision Number |
|-------------------|------------------------|---------------|-----------------|
| 033000            | Cast-in-Place Concrete | 11/21/06      | 0               |
| 051200            | Structural Steel       | 11/21/06      | 0               |
| 052100            | Steel Joist Framing    | 11/21/06      | 0               |
| 053100            | Steel Deck             | 11/21/06      | 0               |

## **B. Drawings GENERAL**

| Drawing | Description                                     | Revision No. | Revision Date |
|---------|-------------------------------------------------|--------------|---------------|
| G0-01   | General Project Cover Sheet & Vicinity Map      | 0            | 11/21/06      |
| G0-02   | Architectural Building Code Summary             | 0            | 11/21/06      |
| G0-04   | General UL Details                              | 0            | 11/21/06      |
| G0-05   | Architectural Material & Personnel Flow Diagram | 0            | 11/21/06      |
| GA-01   | Architectural General Details                   | 0            | 11/21/06      |

## **CIVIL**

| Drawing | Description                                | Revision No. | Revision Date |
|---------|--------------------------------------------|--------------|---------------|
| C1-00   | Civil General Notes, Abbreviations & Index | 3            | 11/21/06      |
| C1-02   | Civil Site Layout Plan                     | A            | 02/15/07      |
| C1-03.1 | Civil Stormwater & Grading Plan            | A            | 02/15/07      |
| C1-03.2 | Civil Stormwater & Grading Plan            | A            | 02/15/07      |
| C1-05   | Civil Proposed Drainage Plan               | A            | 02/15/07      |
| C1-06.1 | Civil Erosion Control Plan Phase 1         | A            | 02/15/07      |
| C1-06.2 | Civil Erosion Control Plan Phase 2         | A            | 02/15/07      |
| C1-07   | Civil Underground Utilities                | A            | 02/15/07      |
| C5-01   | Civil Site & Pavement Details              | 1            | 10/12/06      |
| C5-02   | Civil Stormwater & Erosion Control         | A            | 02/15/07      |
| C5-03   | Civil Water Details                        | 0            | 08/24/06      |
| C5-04   | Civil Sanitary Sewer Details               | A            | 02/15/07      |

## **STRUCTURAL**

| Drawing | Description                                 | Revision No. | Revision Date |
|---------|---------------------------------------------|--------------|---------------|
| S0-1    | Structural General Notes & Design Criteria  | 0            | 11/21/06      |
| S1-101  | Structural Partial Foundation and Slab Plan | 0            | 11/21/06      |
| S1-102  | Structural Partial Foundation and Slab Plan | 0            | 11/21/06      |
| S1-111  | Structural Partial Foundation and Slab Plan | A            | 02/15/07      |
| S1-112  | Structural Partial Foundation and Slab Plan | A            | 02/15/07      |
| S1-113  | Structural Partial Foundation and Slab Plan | 0            | 11/21/06      |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|        |                                                      |   |          |
|--------|------------------------------------------------------|---|----------|
| S1-121 | Structural Partial Foundation and Slab Plan          | 0 | 11/21/06 |
| S1-123 | Structural Partial Foundation and Slab Plan          | 0 | 11/21/06 |
| S1-133 | Structural Pipe Bridge & Equip Foundation Plan       | 0 | 11/21/06 |
| S1-201 | Structural Partial Second Floor Framing Plan         | 0 | 11/21/06 |
| S1-202 | Structural Partial Second Floor Framing Plan         | 0 | 11/21/06 |
| S1-211 | Structural Partial Second Floor Framing Plan         | 0 | 11/21/06 |
| S1-212 | Structural Partial Second Floor Framing Plan         | A | 02/15/07 |
| S1-213 | Structural Partial Second Floor Framing Plan         | 0 | 11/21/06 |
| S1-221 | Structural Framing Plan at el 18'-0" (nominal)       | 0 | 11/21/06 |
| S1-223 | Structural Partial Second Floor Framing Plan         | 0 | 11/21/06 |
| S1-233 | Structural Pipe Bridge Framing Plan                  | 0 | 11/21/06 |
| S1-301 | Structural Partial Roof Framing Plan                 | 0 | 11/21/06 |
| S1-302 | Structural Partial Roof and Third Floor Framing Plan | 0 | 11/21/06 |
| S1-311 | Structural Partial Roof and Third Floor Framing Plan | 0 | 11/21/06 |
| S1-312 | Structural Partial Roof and Third Floor Framing Plan | A | 02/15/07 |
| S1-313 | Structural Partial Roof Framing Plan                 | 0 | 11/21/06 |
| S1-321 | Structural Partial Roof Framing Plan                 | 0 | 11/21/06 |
| S1-323 | Structural partial Roof Framing Plan                 | 0 | 11/21/06 |
| S1-402 | Structural roof Framing Plan at EL 47'-9"            | 0 | 11/21/06 |
| S1-411 | Structural Roof Framing Plan at EL 49'-6"            | 0 | 11/21/06 |
| S1-412 | Structural Roof framing Plan at EL. 56'-0"           | A | 02/15/07 |
| S2-01  | Structural Steel Bracing Elevations                  | 0 | 11/21/06 |
| S2-02  | Structural Steel Bracing Elevations                  | 0 | 11/21/06 |
| S4-01  | Structural Roof Framing Plan at EL. 30'-0"           | 0 | 11/21/06 |
| S4-02  | Structural Miscellaneous Framing Plans               | A | 02/15/07 |
| S4-03  | Structural Miscellaneous Framing Plans               | 0 | 11/21/06 |
| S4-04  | Structural Pipe Support Framing Plan                 | 0 | 11/21/06 |
| S5-01  | Structural Typical Concrete Sections & Details       | 0 | 11/21/06 |
| S5-02  | Structural Typical Concrete Sections & Details       | 0 | 11/21/06 |
| S5-03  | Structural Typical Steel Sections & Details          | 0 | 11/21/06 |
| S5-04  | Structural Column Schedule                           | 0 | 11/21/06 |
| S5-05  | Structural Typical Sections & Details                | 0 | 11/21/06 |
| S5-06  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-07  | Structural Sections & Details                        | A | 02/15/07 |
| S5-08  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-11  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-12  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-13  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-14  | Structural Sections & Details                        | A | 02/15/07 |
| S5-15  | Structural Sections & Details                        | A | 02/15/07 |
| S5-16  | Structural Sections & Details                        | A | 02/15/07 |
| S5-17  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-18  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-20  | Structural Sections & Details                        | 0 | 11/21/06 |
| S5-21  | Structural Sections & Details                        | 0 | 11/21/06 |

## ARCHITECTURAL

| Drawing | Description                                   | Revision No. | Revision Date |
|---------|-----------------------------------------------|--------------|---------------|
| A0-01   | Architectural Abbreviations and General Notes | 0            | 11/21/06      |
| A1-01   | Architectural Overall First Floor Plan        | A            | 02/15/07      |
| A1-02   | Architectural Overall Second Floor Plan       | A            | 02/15/07      |
| A1-03   | Architectural Overall Third Floor Plan        | 0            | 11/21/06      |
| A1-04   | Architectural Roof Plan                       | 0            | 11/21/06      |
| A1-101  | Architectural Partial First Floor Plan        | 0            | 11/21/06      |
| A1-102  | Architectural Partial First Floor Plan        | 0            | 11/21/06      |
| A1-111  | Architectural Partial First Floor Plan        | A            | 02/15/07      |
| A1-112  | Architectural Partial First Floor Plan        | A            | 02/15/07      |



|          |                                                 |      |          |
|----------|-------------------------------------------------|------|----------|
| A1-112M  | Architectural Mezzanine Plan                    | A    | 02/15/07 |
| A1-113   | Architectural Partial First Floor Plan          | 0    | 11/21/06 |
| A1-121   | Architectural Partial First Floor Plan          | A    | 02/15/07 |
| A1-123   | Architectural Partial First Floor Plan          | A    | 02/15/07 |
| A1-201   | Architectural Partial Second Floor Plan         | 0    | 11/21/06 |
| A1-202   | Architectural Partial Second Floor Plan         | 0    | 11/21/06 |
| A1-211   | Architectural Partial Second Floor Plan         | A    | 02/15/07 |
| A1-212   | Architectural Partial Second Floor Plan         | A    | 02/15/07 |
| A1-213   | Architectural Partial Second Floor Plan         | 0    | 11/21/06 |
| A1-221   | Architectural Partial Second Floor Plan         | 0    | 11/21/06 |
| A1-223   | Architectural Partial Second Floor Plan         | A    | 02/15/07 |
| A1-301   | Architectural Partial Third Floor Plan          | 0    | 11/21/06 |
| A1-302   | Architectural Partial Third Floor Plan          | 0    | 11/21/06 |
| A1-311   | Architectural Partial Third Floor Plan          | A    | 02/15/07 |
| A1-312   | Architectural Partial Third Floor Plan          | A    | 02/15/07 |
| A1-313   | Architectural Partial Third Floor Plan          | 0    | 11/21/06 |
| A1-321   | Architectural Partial Third Floor Plan          | A    | 02/15/07 |
| A1-323   | Architectural Partial Third Floor Plan          | 0    | 11/21/06 |
| A2-01    | Architectural Building Elevations               | 0    | 11/21/06 |
| A2-02    | Architectural Partial Building Elevations       | 0    | 11/21/06 |
| A3-01    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-02    | Architectural Building Sections                 | A    | 02/15/07 |
| A3-03    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-04    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-05    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-06    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-07    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-08    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-09    | Architectural Building Sections                 | 0    | 11/21/06 |
| A3-101.1 | Architectural Details                           | A    | 02/15/07 |
| A3-101.2 | Architectural Details                           | A    | 02/15/07 |
| A3-101.3 | Architectural Details                           | 0    | 11/21/06 |
| A3-101.4 | Architectural Details                           | None | 11/9/06  |
| A3-101   | Architectural Wall Sections                     | A    | 02/15/07 |
| A3-102.1 | Architectural Details                           | 0    | 11/21/06 |
| A3-102.2 | Architectural Details                           | 0    | 11/21/06 |
| A3-102   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-103.1 | Architectural Details                           | 0    | 11/21/06 |
| A3-103.2 | Architectural Details                           | 0    | 11/21/06 |
| A3-103   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-104.1 | Architectural Details                           | A    | 02/15/07 |
| A3-104.2 | Architectural Details                           | 0    | 11/21/06 |
| A3-104.3 | Architectural Details                           | 0    | 11/21/06 |
| A3-104   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-105.1 | Architectural Details                           | 0    | 11/21/06 |
| A3-105.2 | Architectural Details                           | 0    | 11/21/06 |
| A3-105   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-106.1 | Architectural Details                           | 0    | 11/21/06 |
| A3-106   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-107   | Architectural Wall Sections                     | A    | 02/15/07 |
| A3-108   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-109   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A3-110   | Architectural Wall Sections & Details           | 0    | 11/21/06 |
| A3-111   | Architectural Wall Sections of Entrance Lobby   | 0    | 11/21/06 |
| A3-113.1 | Architectural Details                           | 0    | 11/21/06 |
| A3-113   | Architectural Wall Sections                     | 0    | 11/21/06 |
| A4-01.1  | Architectural Stair Details                     | 0    | 11/21/06 |
| A4-01    | Architectural Stair Plans, Sections and Details | 0    | 11/21/06 |

|          |                                                                                    |   |          |
|----------|------------------------------------------------------------------------------------|---|----------|
| A4-02    | Architectural Stair Plans, Sections and Details                                    | 0 | 11/21/06 |
| A4-03    | Architectural Stair Plans, Sections and Details                                    | 0 | 11/21/06 |
| A4-04    | Architectural Stair Plans, Sections and Details                                    | 0 | 11/21/06 |
| A4-05    | Architectural Stair Plans, Sections and Details                                    | 0 | 11/21/06 |
| A4-09    | Architectural First Floor Enlarged Plans                                           | 0 | 11/21/06 |
| A4-11    | Architectural Second Floor Enlarged Plans                                          | 0 | 11/21/06 |
| A4-13    | Architectural Exterior Soffit Plan                                                 | 0 | 11/21/06 |
| A4-14.1  | Architectural Enlarged Assembly Plan Details                                       | 0 | 11/21/06 |
| A4-14.2  | Architectural Enlarged Assembly Plan Details                                       | 0 | 11/21/06 |
| A4-14.3  | Architectural Enlarged Assembly Plan Details                                       | 0 | 11/21/06 |
| A4-14.4  | Architectural Enlarged Assembly Plan Details                                       | 0 | 11/21/06 |
| A4-14    | Architectural Lobby Assembly Enlarged Floor Plan                                   | 0 | 11/21/06 |
| A4-15.1  | Architectural Enlarged Lobby Plan Details                                          | 0 | 11/21/06 |
| A4-15.2  | Architectural Enlarged Lobby Plan Details                                          | 0 | 11/21/06 |
| A4-15.3  | Architectural Enlarged Lobby Plan Details                                          | A | 02/15/07 |
| A4-15    | Architecture Lobby Enlarged Floor Plan                                             | A | 02/15/07 |
| A4-16    | Architectural Enlarged Canopy Plan, Elevation, Section, & Details                  | 0 | 11/21/06 |
| A4-17    | Architectural Enlarged Employee Entrance Canopy Plan, Elevation, Section & Details | 0 | 11/21/06 |
| A5-01.1  | Architectural Plan Details                                                         | 0 | 11/21/06 |
| A5-01.2  | Architectural Plan Details                                                         | 0 | 11/21/06 |
| A5-01.3  | Architectural Plan Details                                                         | 0 | 11/21/06 |
| A5-01.4  | Architectural Plan Details                                                         | 0 | 11/21/06 |
| A5-01.5  | Architectural Plan Details                                                         | 0 | 11/21/06 |
| A5-01    | Architectural Plan Details                                                         | 0 | 11/21/06 |
| A5-02.1  | Architectural Details                                                              | 0 | 11/21/06 |
| A5-02    | Architectural Details                                                              | 0 | 11/21/06 |
| A5-03.1  | Architectural Reflecting Pool Sections                                             | 0 | 11/21/06 |
| A5-03    | Architectural Reflecting Pool Plans & Details                                      | 0 | 11/21/06 |
| A5-04.1  | Architectural Exec—Suites Second Floor Panel Details                               | 0 | 11/21/06 |
| A5-04.2  | Architectural Pharm—Dev First & Second Floor Panel Details                         | 0 | 11/21/06 |
| A5-04    | Architectural Exec—Suites First Floor Panel Details                                | 0 | 11/21/06 |
| A5-05    | Architectural Retaining Wall Details                                               | 0 | 11/21/06 |
| A5-06    | Architectural Roof Details                                                         | 0 | 11/21/06 |
| A6-01    | Architectural Room Finish Schedule                                                 | 0 | 11/21/06 |
| A6-02    | Architectural Room Finish Schedule                                                 | 0 | 11/21/06 |
| A6-03    | Architectural Door Schedule                                                        | 0 | 11/21/06 |
| A6-04    | Architectural Door Schedule                                                        | 0 | 11/21/06 |
| A6-05.1  | Architectural Door Details                                                         | 0 | 11/21/06 |
| A6-05.2  | Architectural Door Details                                                         | 0 | 11/21/06 |
| A6-05.3  | Architectural Door Details                                                         | 0 | 11/21/06 |
| A6-05.4  | Architectural Door Details                                                         | 0 | 11/21/06 |
| A6-05.5  | Architectural Door Details                                                         | 0 | 11/21/06 |
| A6-05.6  | Architectural Door Details                                                         | 0 | 11/21/06 |
| A6-05    | Architectural Door Schedules, Door Elevations & Details                            | 0 | 11/21/06 |
| A6-06    | Architectural Window Schedule Elevations & Details                                 | 0 | 11/21/06 |
| AI2-01   | Architectural Interior Storefront Elevations & Details                             | 0 | 11/21/06 |
| AI2-02   | Architectural Interior Storefront Elevations & Details                             | 0 | 11/21/06 |
| AI2-03   | Architectural Interior Storefront Elevations                                       | 0 | 11/21/06 |
| AI2-04.1 | Casework Plans and Elevations                                                      | 0 | 11/21/06 |
| AI2-04   | Casework Elevations and Details                                                    | 0 | 11/21/06 |
| AI2-05.1 | Casework Sections and Details                                                      | A | 02/15/07 |
| AI2-05   | Casework Plans and Elevations                                                      | 0 | 11/21/06 |
| AI2-06   | Casework Sections and Details                                                      | 0 | 11/21/06 |
| AI2-07   | Architectural Interior Restroom Elevations                                         | 0 | 11/21/06 |

|          |                                                                    |   |          |
|----------|--------------------------------------------------------------------|---|----------|
| AI2-08   | Architectural Interior Restroom Elevations                         | 0 | 11/21/06 |
| AI2-09   | Architectural Interior Restroom Elevations                         | 0 | 11/21/06 |
| AI2-10   | Architectural Interior Restroom Elevations                         | 0 | 11/21/06 |
| AI2-11   | Architectural Interior Locker Room Elevations                      | 0 | 11/21/06 |
| AI2-12   | Architectural Interior Women's Locker Room Elevations              | 0 | 11/21/06 |
| AI2-13   | Building Sections and Details                                      | 0 | 11/21/06 |
| AI4-01   | Architectural Interior Lobby, Gallery & Kitchen Floor Pattern      | A | 02/15/07 |
| AI4-02   | Architectural Interior Assembly Floor Pattern                      | 0 | 11/21/06 |
| AI5-01   | Architectural Interior Acoustical Wall Baffles Plan & Details      | 0 | 11/21/06 |
|          |                                                                    |   |          |
| AQ2-01   | Architectural Equipment Lab Casework Elevations & Plan             | A | 10/27/06 |
| AQ2-02   | Architectural Equipment Lab Casework Elevations Elevations & Plans | 0 | 11/21/06 |
| AQ2-03   | Architectural Equipment Lab Casework Elevations & Plan             | 0 | 11/21/06 |
| AQ4-01   | Architectural Equipment Enlarged Lab Equipment Plans               | 0 | 11/21/06 |
| AQ4-02   | Architectural Enlarged Kitchen Equipment Plans                     | 0 | 11/21/06 |
|          |                                                                    |   |          |
| AR1-101  | Architectural Partial First Floor Reflected Ceiling Plan           | 0 | 11/21/06 |
| AR1-102  | Architectural Partial First Floor Reflected Ceiling Plan           | 0 | 11/21/06 |
| AR1-111  | Architectural Partial First Floor Reflected Ceiling Plan           | A | 02/15/07 |
| AR1-112  | Architectural Partial First Floor Reflected Ceiling Plan           | A | 02/15/07 |
| AR1-112M | Architectural Mezzanine Reflected Ceiling Plan                     | A | 02/15/07 |
| AR1-113  | Architectural Partial First Floor Reflected Ceiling Plan           | 0 | 11/21/06 |
| AR1-121  | Architectural Partial First Floor Reflected Ceiling Plan           | 0 | 11/21/06 |
| AR1-123  | Architectural Partial First Floor Reflected Ceiling Plan           | 0 | 11/21/06 |
| AR1-201  | Architectural Partial Second Floor Reflected Ceiling Plan          | 0 | 11/21/06 |
| AR1-202  | Architectural Partial Second Floor Reflected Ceiling Plan          | 0 | 11/21/06 |
| AR1-211  | Architectural Partial Second Floor Reflected Ceiling Plan          | 0 | 11/21/06 |
| AR1-212  | Architectural Partial Second Floor Reflected Ceiling Plan          | A | 02/15/07 |
| AR1-213  | Architectural Partial Second Floor Reflected Ceiling Plan          | 0 | 11/21/06 |
| AR1-221  | Architectural Partial Second Floor Reflected Ceiling Plan          | 0 | 11/21/06 |
| AR1-223  | Architectural Partial Second Floor Reflected Ceiling Plan          | 0 | 11/21/06 |

## PROCESS

| Drawing  | Description                                                                    | Revision |               |
|----------|--------------------------------------------------------------------------------|----------|---------------|
|          |                                                                                | No.      | Revision Date |
| R0-001   | Process Lead Sheet                                                             | 0        | 11/21/06      |
| R1-112.1 | Process General Arrangement Production Area First Floor                        | 0        | 11/21/06      |
| R1-112.2 | Process General Arrangement Production Area First Floor                        | A        | 02/15/07      |
| R1-112.3 | Process General Arrangement Production Area First Floor                        | 0        | 11/21/06      |
| R1-112.4 | Process General Arrangement Production Area First Floor                        | 0        | 11/21/06      |
| R1-112.5 | Process General Arrangement Production Area First Floor                        | A        | 02/15/07      |
| R1-112.6 | Process General Arrangement Production Area First Floor                        | A        | 02/15/07      |
| R1-112   | Process General Arrangement Production Area First Floor                        | A        | 02/15/07      |
| R1-113   | Process General Arrangement Packaging Area                                     | 0        | 11/21/06      |
| R1-123   | Process General Arrangement Partial Plan First Floor                           | 0        | 11/21/06      |
| R1-212   | Process General Arrangement Partial Plan Second Floor                          | A        | 02/15/07      |
| R1-223.1 | Process General Arrangement Purified & RO Water Generation                     | 0        | 11/21/06      |
| R1-112.5 | Process General Arrangement Production Area First Floor                        | 0        | 11/21/06      |
| R3-001   | Process Sections Fluid Bed Systems                                             | A        | 02/15/07      |
| R3-002   | Process Miscellaneous Plans & Sections                                         | 0        | 11/21/06      |
| R3-003   | Process Miscellaneous Elevations                                               | 0        | 11/21/06      |
| R3-004   | Process Miscellaneous Plans                                                    | 0        | 11/21/06      |
| R3-005   | Process Utility Box Elevations GLATT RM 11220 GLATT RM 11222<br>GLATT RM 11237 | A        | 02/15/07      |

|        |                                                                                                            |   |          |
|--------|------------------------------------------------------------------------------------------------------------|---|----------|
| R3-006 | Process Utility Box Elevations Compression RM 11235 Blender RM 11236 Compression RM 11218 Blender RM 11219 | 0 | 11/21/06 |
| R3-007 | Process Utility Box Elevations GLATT RM 21259 GLATT RM 21258                                               | A | 02/15/07 |
| R3-008 | Process Utility Box Elevations GLATT RM 21271 COATER RM 21269                                              | 0 | 11/21/06 |
| R3-009 | Process Utility Box Elevations GLATT RM 21263 Pharmacy RM 21255 Blend RM 21270                             | A | 02/15/07 |
| R3-010 | Process Utility Box Elevations Compression RM 21268 Dispense RM 11224                                      | 0 | 11/21/06 |
| R3-011 | Process Utility Box Elevations Coater Prep RM 11253 Coater Prep RM 11254 Coater RM 11248 Coater RM 11249   | 0 | 11/21/06 |
| R3-012 | Process Downflow Booth Plan and Elevations RM 11224                                                        | 0 | 11/21/06 |
| R5-001 | Process Utility Panel Details                                                                              | 0 | 11/21/06 |
| R5-002 | Process WPU Piping Drop Detail                                                                             | 0 | 11/21/06 |
| R6-001 | Process P&ID Acetone Storage                                                                               | 0 | 11/21/06 |
| R6-002 | Process P&ID Granulation and Screening GLATT—300                                                           | 0 | 11/21/06 |
| R6-003 | Process P&ID Coating Solution Preparation Room 11253                                                       | 0 | 11/21/06 |
| R6-004 | Process P&ID Coating Solution Preparation Room 11254                                                       | C | 11/21/06 |
| R6-005 | Process P&ID Coater Room 11249                                                                             | 0 | 11/21/06 |
| R6-006 | Process P&ID Coater Room 11248                                                                             | 0 | 11/21/06 |
| R6-007 | Process P&ID Purified/RO Water Generation                                                                  | 0 | 11/21/06 |
| R6-008 | Process P&ID WPU Dispensing Room 11224                                                                     | 0 | 11/21/06 |
| R6-009 | Process P&ID Purified & RO Water Distribution                                                              | A | 02/15/07 |
| R6-010 | Process P&ID Tote Washing Room 11232                                                                       | 0 | 11/21/06 |
| R6-011 | Process P&ID Compression Room 11218                                                                        | 0 | 11/21/06 |
| R6-012 | Process P&ID GLATT Wash in Place Room 11252                                                                | 0 | 11/21/06 |
| R6-013 | Process P&ID Granulation and Screening GLATT—60                                                            | 0 | 11/21/06 |
| R6-014 | Process P&ID Granulation GLATT—15 (Future)                                                                 | 0 | 11/21/06 |
| R7-001 | Process Flow Diagram Flammable Liquids Storage and Handling                                                | F | 11/21/06 |
| R7-002 | Process Flow Diagram Warehouse and Dispensing                                                              | D | 11/21/06 |
| R7-003 | Process Flow Diagram Granulation—Screening                                                                 | D | 11/21/06 |
| R7-005 | Process Flow Diagram Coater Solution Program                                                               | E | 11/21/06 |
| R7-006 | Process Flow Diagram Tablet Coating                                                                        | D | 11/21/06 |
| R7-007 | Process Flow Diagram Purified & RO Water Generation                                                        | D | 11/21/06 |
| R7-008 | Process Flow Diagram Purified & RO Water Diagram                                                           | D | 11/21/06 |

## INSTRUMENTATION AND CONTROLS

| Drawing | Description                                        | Revision No. | Revision Date |
|---------|----------------------------------------------------|--------------|---------------|
| I1-101  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-102  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-111  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-112  | Instrumentation Partial Location Plan First Floor  | A            | 02/15/07      |
| I1-113  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-121  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-123  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-133  | Instrumentation Partial Location Plan First Floor  | 0            | 11/21/06      |
| I1-201  | Instrumentation Partial Location Plan Second Floor | 0            | 11/21/06      |
| I1-202  | Instrumentation Partial Location Plan Second Floor | 0            | 11/21/06      |
| I1-211  | Instrumentation Partial Location Plan Second Floor | 0            | 11/21/06      |
| I1-212  | Instrumentation Partial Location Plan Second Floor | A            | 02/15/07      |
| I1-213  | Instrumentation Partial Location Plan Second Floor | 0            | 11/21/06      |
| I1-221  | Instrumentation Partial Location Plan Second Floor | 0            | 11/21/06      |
| I1-223  | Instrumentation Partial Location Plan Second Floor | 0            | 11/21/06      |
| I1-302  | Instrumentation Partial Location Plan Third Floor  | 0            | 11/21/06      |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|        |                                                                                        |   |          |
|--------|----------------------------------------------------------------------------------------|---|----------|
| I1-311 | Instrumentation Partial Location Plan Third Floor                                      | 0 | 11/21/06 |
| I1-312 | Instrumentation Partial Location Plan Third Floor                                      | 0 | 11/21/06 |
| I5-001 | Controls Instrumentation Details                                                       | 0 | 11/21/06 |
| I5-002 | Controls Instrumentation Details                                                       | 0 | 11/21/06 |
| I5-003 | Instrumentation Details                                                                | 0 | 11/21/06 |
| I7-001 | Controls Refrigerant Monitoring & Exhaust System Plan                                  | 0 | 11/21/06 |
| I7-002 | Controls Refrigerant Monitoring & Exhaust System Control Panel<br>CP—12325—1 Layout    | 0 | 11/21/06 |
| I7-003 | Controls AHU-001 PDIT Interface Panel Layout                                           | 0 | 11/21/06 |
| I7-004 | Controls AHU-001, AHU-002 & AHU-004 PDIT Interface Panel<br>Layout                     | 0 | 11/21/06 |
| I7-005 | Controls AHU-008 PDIT Interface Panel Layout                                           | 0 | 11/21/06 |
| I7-006 | Controls Coater Prep Room Alarm Panel CP—21269 Layout                                  | 0 | 11/21/06 |
| I7-007 | Controls Coater Prep Room Alarm Panel CP—11253—1 Layout                                | 0 | 11/21/06 |
| I7-008 | Controls Refrigerant Monitoring & Exhaust System Remote Panel<br>CP—12325—2 Layout     | 0 | 11/21/06 |
| I7-009 | Controls VFD Speed Control Panel Layout/Schematic Intrinsically<br>Safe                | 0 | 11/21/06 |
| I7-010 | Controls VFD Speed Control Panel Layout/Schematic General Purpose                      | A | 02/15/07 |
| I7-011 | Controls Acetone Storage/Dispensing Alarm Panel CP—12342 Layout                        | 0 | 11/21/06 |
| I7-012 | Controls Intrinsic Safety Panel CP—11242 Layout                                        | 0 | 11/21/06 |
| I7-013 | Controls Ozone Monitoring System Plan                                                  | 0 | 11/21/06 |
| I7-014 | Controls Ozone Monitoring Control Panel CP—21301 Layout                                | 0 | 11/21/06 |
| I7-015 | Controls Oxygen Deficiency Monitoring System Plan                                      | 0 | 11/21/06 |
| I7-016 | Controls Oxygen Deficiency Monitoring Control Panel CP—31203<br>Layout                 | 0 | 11/21/06 |
| I8-001 | Controls Refrigerant Monitoring & Exhaust System Control Panel<br>CP—12325—1 Schematic | 0 | 11/21/06 |
| I8-002 | Controls Coater Room Alarm Panel CP—21269 Schematic                                    | 0 | 11/21/06 |
| I8-003 | Controls Coater Prep Rooms Alarm Panel CP—11253—1 Schematic                            | 0 | 11/21/06 |
| I8-004 | Controls Acetone Storage/Dispensing Alarm Panel CP—12342<br>Schematic                  | 0 | 11/21/06 |
| I8-005 | Controls Ozone Monitoring Control Panel CP—21301 Schematic                             | 0 | 11/21/06 |
| I8-006 | Controls Oxygen Deficiency Monitoring Control Panel CP—31203<br>Schematic              | 0 | 11/21/06 |
| I8-007 | Controls Intrinsic Safety Panel CP—11242 Schematic (Sheet 1 of 5)                      | 0 | 11/21/06 |
| I8-008 | Controls Intrinsic Safety Panel CP—11242 Schematic (Sheet 2 of 5)                      | 0 | 11/21/06 |
| I8-009 | Controls Intrinsic Safety Panel CP—11242 Schematic (Sheet 3 of 5)                      | 0 | 11/21/06 |
| I8-010 | Controls Intrinsic Safety Panel CP—11242 Schematic (Sheet 4 of 5)                      | 0 | 11/21/06 |
| I8-011 | Controls Intrinsic Safety Panel CP—11242 Schematic (Sheet 5 of 5)                      | 0 | 11/21/06 |
| I9-001 | Controls Network Architecture                                                          | 0 | 11/21/06 |

## LIFE SAFETY

| <u>Drawing</u> | <u>Description</u>                    | <u>Revision<br/>No.</u> | <u>Revision Date</u> |
|----------------|---------------------------------------|-------------------------|----------------------|
| LS1-01         | Overall First Floor Life Safety Plan  | 0                       | 11/21/06             |
| LS1-02         | Overall Second Floor Life Safety Plan | 0                       | 11/21/06             |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

## MECHANICAL

| Drawing  | Description                                     | Revision No. | Revision Date |
|----------|-------------------------------------------------|--------------|---------------|
| M0-001   | Mechanical HVAC Lead Sheet                      | 0            | 11/21/06      |
| M1-101.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-101.2 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-102.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-102.2 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-102.3 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-111.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-111.2 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-111.3 | Mechanical HVAC Partial Floor Plan First Floor  | A            | 02/15/07      |
| M1-111.4 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-112.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-112.2 | Mechanical HVAC Partial Floor Plan First Floor  | A            | 02/15/07      |
| M1-112.3 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-112.4 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-112.5 | Mechanical HVAC Partial Floor Plan First Floor  | A            | 02/15/07      |
| M1-112.6 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-113.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-113.2 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-113.3 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-121.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-123.1 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-123.2 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-123.3 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-123.4 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-123.5 | Mechanical HVAC Partial Floor Plan First Floor  | 0            | 11/21/06      |
| M1-201.1 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-201.2 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-202.1 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-202.2 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-202.3 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-211.1 | Mechanical HVAC Partial Floor Plan Second Floor | A            | 02/15/07      |
| M1-211.2 | Mechanical HVAC Partial Floor Plan Second Floor | A            | 02/15/07      |
| M1-211.3 | Mechanical HVAC Partial Floor Plan Second Floor | A            | 02/15/07      |
| M1-211.4 | Mechanical HVAC Partial Floor Plan Second Floor | A            | 02/15/07      |
| M1-212.1 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-212.2 | Mechanical HVAC Partial Floor Plan Second Floor | A            | 02/15/07      |
| M1-212.3 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-212.4 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-212.5 | Mechanical HVAC Partial Floor Plan Second Floor | A            | 02/15/07      |
| M1-212.6 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-213.1 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-213.2 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-213.3 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-221.1 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-223.1 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-223.2 | Mechanical HVAC Partial Floor Plan Second Floor | 0            | 11/21/06      |
| M1-301.1 | Mechanical HVAC Partial Floor Plan Third Floor  | 0            | 11/21/06      |
| M1-301.2 | Mechanical HVAC Partial Floor Plan Third Floor  | 0            | 11/21/06      |

United Therapeutics — xxxxxx

Subcontract No. 16-26002-01

Subcontractor: <<SUB>>



|          |                                                          |   |          |
|----------|----------------------------------------------------------|---|----------|
| M1-302.1 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-302.2 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-302.3 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-311.1 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-311.2 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-311.4 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-312.1 | Mechanical HVAC Partial Floor Plan Third Floor           | A | 02/15/07 |
| M1-312.2 | Mechanical HVAC Partial Floor Plan Third Floor           | A | 8/14/06  |
| M1-312.3 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-312.4 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-312.5 | Mechanical HVAC Partial Floor Plan Third Floor           | A | 02/15/07 |
| M1-312.6 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-313.1 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-313.2 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-313.3 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-323.1 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-323.3 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M1-323.4 | Mechanical HVAC Partial Floor Plan Third Floor Plan      | 0 | 11/21/06 |
| M1-323.5 | Mechanical HVAC Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| M4-100   | Mechanical HVAC AHU Zone Plan First Floor                | 0 | 11/21/06 |
| M4-200   | Mechanical HVAC AHU Zone Plan Second Floor               | 0 | 11/21/06 |
| M5-101   | Mechanical HVAC Details                                  | 0 | 11/21/06 |
| M5-102   | AHU-002 Details                                          | 0 | 11/21/06 |
| M5-103   | AHU-004 Details                                          | 0 | 11/21/06 |
| M5-104   | AHU-005 Details                                          | 0 | 11/21/06 |
| M5-105   | AHU-008 Details                                          | 0 | 11/21/06 |
| M5-106   | AHU-012 Details                                          | 0 | 11/21/06 |
| M5-107   | AHU-014 Details                                          | 0 | 11/21/06 |
| M5-108   | Mechanical Details                                       | 0 | 11/21/06 |
| M5-109   | Mechanical Details                                       | 0 | 11/21/06 |
| M5-110   | Mechanical Details                                       | 0 | 11/21/06 |
| M6-101   | Mechanical HVAC Schedules                                | A | 02/15/07 |
| M6-102   | Mechanical HVAC Schedules                                | A | 02/15/07 |
| M6-103   | Mechanical Schedules                                     | A | 02/15/07 |
| M7-112   | Mechanical HVAC Partial Pressurization Plan First Floor  | 0 | 11/21/06 |
| M7-113   | Mechanical HVAC Partial Pressurization Plan First Floor  | 0 | 11/21/06 |
| M7-212   | Mechanical HVAC Partial Pressurization Plan Second Floor | 0 | 11/21/06 |
| M8-001   | Mechanical HVAC P&ID Lead Sheet                          | 0 | 11/21/06 |
| M8-011   | Mechanical HVAC AHU-001 P&ID                             | 0 | 11/21/06 |
| M8-012   | Mechanical HVAC AHU-001 P&ID                             | 0 | 11/21/06 |
| M8-021   | Mechanical HVAC AHU-002 P&ID                             | 0 | 11/21/06 |
| M8-022   | Mechanical HVAC AHU-002 P&ID                             | 0 | 11/21/06 |
| M8-031   | Mechanical HVAC AHU-003 P&ID                             | 0 | 11/21/06 |
| M8-041   | Mechanical HVAC AHU-004 P&ID                             | 0 | 11/21/06 |
| M8-051   | Mechanical HVAC AHU-005 P&ID                             | 0 | 11/21/06 |
| M8-061   | Mechanical HVAC AHU-006 P&ID                             | 0 | 11/21/06 |
| M8-071   | Mechanical HVAC AHU-007 P&ID                             | 0 | 11/21/06 |
| M8-072   | Mechanical HVAC AHU-007 P&ID                             | 0 | 11/21/06 |
| M8-073   | Mechanical HVAC AHU-007 P&ID                             | 0 | 11/21/06 |
| M8-081   | Mechanical HVAC AHU-008 P&ID                             | 0 | 11/21/06 |
| M8-082   | Mechanical HVAC AHU-008 P&ID                             | 0 | 11/21/06 |
| M8-091   | Mechanical HVAC AHU-009 P&ID                             | 0 | 11/21/06 |
| M8-092   | Mechanical HVAC AHU-009 P&ID                             | 0 | 11/21/06 |
| M8-101   | Mechanical HVAC AHU-010 P&ID                             | 0 | 11/21/06 |
| M8-102   | Mechanical HVAC AHU-010 P&ID                             | 0 | 11/21/06 |
| M8-111   | Mechanical HVAC AHU-011 P&ID                             | A | 02/15/07 |
| M8-112   | Mechanical HVAC AHU-011 P&ID                             | A | 02/15/07 |

|        |                               |   |          |
|--------|-------------------------------|---|----------|
| M8-113 | Mechanical HVAC AHU - 11 P&ID | A | 02/15/07 |
| M8-121 | Mechanical HVAC AHU-012 P&ID  | A | 02/15/07 |
| M8-122 | Mechanical HVAC AHU-012 P&ID  | 0 | 11/21/06 |
| M8-131 | Mechanical HVAC AHU-013 P&ID  | A | 02/15/07 |
| M8-141 | Mechanical HVAC AHU-014 P&ID  | 0 | 11/21/06 |
| M8-151 | Mechanical HVAC AHU-015 P&ID  | 0 | 11/21/06 |
| M8-161 | Mechanical HVAC AHU-016 P&ID  | 0 | 11/21/06 |
| M8-162 | Mechanical HVAC AHU-016 P&ID  | 0 | 11/21/06 |

## ELECTRICAL

| Drawing   | Description                                                      | Revision No. | Revision Date |
|-----------|------------------------------------------------------------------|--------------|---------------|
| E0-01     | Electrical Abbreviations and Legend                              | 0            | 11/21/06      |
| E0-02     | Electrical Luminaire Schedule                                    | 0            | 11/21/06      |
| E1-01     | Electrical Overall First Floor Panel Layout Plan                 | 0            | 11/21/06      |
| E1-02     | Electrical Overall Second Floor Plan                             | A            | 02/15/07      |
| E1-03     | Electrical Overall Third Floor Plan                              | 0            | 11/21/06      |
| E1-04     | Electrical Overall First Floor Classification Plan               | 0            | 11/21/06      |
| E1-05     | Electrical Overall Second Floor Classification Plan              | 0            | 11/21/06      |
| E1-06     | Electrical Overall Third Floor Classification Plan               | 0            | 11/21/06      |
| E1-07     | Electrical Site Classification Plan                              | 0            | 11/21/06      |
| E1-08     | Electrical Classified Area Details                               | 0            | 11/21/06      |
| E1-09     | Electrical Solar Panel Plan                                      | A            | 02/15/07      |
| E5-01     | Electrical Details                                               | 0            | 11/21/06      |
| E5-02     | Electrical Details                                               | 0            | 11/21/06      |
| E5-03     | Electrical Wiring Diagrams                                       | 0            | 11/21/06      |
| E6-01     | Electrical Master Single Line Diagram                            | 0            | 11/21/06      |
| E6-02     | Electrical Emergency Generator and UPS Single Line Diagram       | 0            | 11/21/06      |
| E6-03     | Electrical Normal Power Single Line Diagram 1                    | 0            | 11/21/06      |
| E6-04     | Electrical Normal Power Single Line Diagram 2                    | A            | 02/15/07      |
| E6-05     | Electrical Emergency Power Single Line Diagram 1                 | 0            | 11/21/06      |
| E6-06     | Electrical Emergency Power Single Line Diagram 2                 | 0            | 11/21/06      |
| E6-07     | Electrical Solar Power Single Line Diagram                       | A            | 02/15/07      |
| E7-01     | Electrical Normal Power Panel Schedules                          | A            | 02/15/07      |
| E7-02     | Electrical Normal Power Panel Schedules                          | A            | 02/15/07      |
| E7-03     | Electrical Normal Power Panel Schedules                          | A            | 02/15/07      |
| E7-04     | Electrical Normal Power Panel Schedules                          | 0            | 11/21/06      |
| E7-05     | Electrical Normal Power Panel Schedules                          | 0            | 11/21/06      |
| E7-06     | Electrical Normal Power Panel Schedules                          | 0            | 11/21/06      |
| E7-07     | Electrical Emergency Power Panel Schedules                       | A            | 02/15/07      |
| E7-08     | Electrical Emergency Power Panel Schedules                       | 0            | 11/21/06      |
| E7-09     | Electrical UPS Power Panel Schedules                             | 0            | 11/21/06      |
| E7-10     | Electrical UPS Power Panel Schedules                             | 0            | 11/21/06      |
| E7-11     | Electrical Normal Power MCC Schedules                            | 0            | 11/21/06      |
| E7-12     | Electrical Emergency Power MCC Schedules                         | 0            | 11/21/06      |
| E7-13     | Electrical UPS Power MCC Schedules                               | 0            | 11/21/06      |
| EL1-101   | Electrical Partial First Floor Area 101 Lighting Plan            | 0            | 11/21/06      |
| EL1-102   | Electrical Partial First Floor Area 102 Lighting Plan            | 0            | 11/21/06      |
| EL1-111.1 | Electrical Partial First Floor Area 111 Reflecting Pool Lighting | 0            | 11/21/06      |
| EL1-111   | Electrical Partial First Floor Area 111 Lighting Plan            | 0            | 11/21/06      |
| EL1-112   | Electrical Partial First Floor Area 112 Lighting Plan            | A            | 02/15/07      |
| EL1-113   | Electrical Partial First Floor Area 113 Lighting Plan            | 0            | 11/21/06      |
| EL1-121   | Electrical Partial First Floor Area 121 Lighting Plan            | 0            | 11/21/06      |
| EL1-123   | Electrical Partial First Floor Area 123 Lighting Plan            | 0            | 11/21/06      |
| EL1-201   | Electrical Partial Second Floor Area 201 Lighting Plan           | 0            | 11/21/06      |
| EL1-202   | Electrical Partial Second Floor Area 202 Lighting Plan           | 0            | 11/21/06      |



|         |                                                                           |   |          |
|---------|---------------------------------------------------------------------------|---|----------|
| EL1-211 | Electrical Partial Second Floor Area 211 Lighting Plan                    | 0 | 11/21/06 |
| EL1-212 | Electrical Partial Second Floor Area 212 Lighting Plan                    | 0 | 11/21/06 |
| EL1-213 | Electrical Partial Second Floor Area 213 Lighting Plan                    | 0 | 11/21/06 |
| EL1-221 | Electrical Partial Second Floor Area 221 Lighting Plan                    | 0 | 11/21/06 |
| EL1-223 | Electrical Partial Second Floor Area 223 Lighting Plan                    | 0 | 11/21/06 |
| EL1-302 | Electrical Partial Third Floor Area 302 Lighting Plan                     | 0 | 11/21/06 |
| EL1-311 | Electrical Partial Third Floor Area 311 Lighting Plan                     | 0 | 11/21/06 |
| EL1-312 | Electrical Partial Third Floor Area 312 Lighting Plan                     | 0 | 11/21/06 |
|         |                                                                           |   |          |
| EP1-101 | Electrical Partial First Floor Area 101 Power Plan                        | 0 | 11/21/06 |
| EP1-102 | Electrical Partial First Floor Area 102 Power Plan                        | 0 | 11/21/06 |
| EP1-111 | Electrical Partial First Floor Area 111 Power Plan                        | 0 | 11/21/06 |
| EP1-112 | Electrical Partial First Floor Area 112 Power Plan                        | A | 02/15/07 |
| EP1-113 | Electrical Partial First Floor Area 113 Power Plan                        | 0 | 11/21/06 |
| EP1-121 | Electrical Partial First Floor Area 121 Power Plan                        | 0 | 11/21/06 |
| EP1-123 | Electrical Partial First Floor Area 123 Power Plan                        | 0 | 11/21/06 |
| EP1-201 | Electrical Partial Second Floor Area 201 Power Plan                       | 0 | 11/21/06 |
| EP1-202 | Electrical Partial Second Floor Area 202 Power Plan                       | 0 | 11/21/06 |
| EP1-211 | Electrical Partial Second Floor Area 211 Power Plan                       | A | 02/15/07 |
| EP1-212 | Electrical Partial Second Floor Area 212 Power Plan                       | A | 02/15/07 |
| EP1-213 | Electrical Partial Second Floor Area 213 Power Plan                       | 0 | 11/21/06 |
| EP1-221 | Electrical Partial Second Floor Area 221 Power Plan                       | 0 | 11/21/06 |
| EP1-223 | Electrical Partial Second Floor Area 223 Power Plan                       | 0 | 11/21/06 |
| EP1-302 | Electrical Partial Third Floor Area 302 Power Plan                        | 0 | 11/21/06 |
| EP1-311 | Electrical Partial Third Floor Area 311 Power Plan                        | 0 | 11/21/06 |
| EP1-312 | Electrical Partial Third Floor Area 312 Power Plan                        | A | 02/15/07 |
| EP1-323 | Electrical Partial Third Floor Area 323 Power Plan                        | 0 | 11/21/06 |
|         |                                                                           |   |          |
| EP4-01  | Electrical Main Electrical Room Enlarged Power Plan                       | A | 02/15/07 |
| EQ1-112 | Electrical Partial First Floor Area 112 Process Equipment Power Plan      | A | 02/15/07 |
| EQ1-113 | Electrical Partial First Floor Area 113 Process Equipment Power Plan      | 0 | 11/21/06 |
| EQ1-123 | Electrical Partial First Floor Area 123 Process Equipment Power Plan      | 0 | 11/21/06 |
| EQ1-212 | Electrical Partial Second Floor Area 212 Process Equipment Power Plan     | 0 | 11/21/06 |
| EQ1-312 | Electrical Partial Third Floor Area 312 Process Equipment Power Plan      | 0 | 11/21/06 |
| ES1-01  | Electrical Site Lighting Plan                                             | 0 | 11/21/06 |
| ES1-02  | Electrical Overall Site Plan                                              | A | 02/15/07 |
| ES1-03  | Electrical Building Canopy Lighting Plan                                  | 0 | 11/21/06 |
| ES1-04  | Electrical Site Grounding Plan                                            | 0 | 11/21/06 |
| ET1-101 | Electrical Partial First Floor Area 101 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-102 | Electrical Partial First Floor Area 102 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-111 | Electrical Partial First Floor Area 111 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-112 | Electrical Partial First Floor Area 112 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-113 | Electrical Partial First Floor Area 113 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-121 | Electrical Partial First Floor Area 121 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-123 | Electrical Partial First Floor Area 123 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-201 | Electrical Partial Second Floor Area 201 Telecommunications and Data Plan | 0 | 11/21/06 |

|         |                                                                           |   |          |
|---------|---------------------------------------------------------------------------|---|----------|
| ET1-202 | Electrical Partial Second Floor Area 202 Telecommunications and Data Plan | 0 | 11/21/06 |
| ET1-211 | Electrical Partial Second Floor Area 211 Telecommunications and Data Plan | A | 02/15/07 |
| ET1-212 | Electrical Partial Second Floor Area 212 Telecommunications and Data Plan | 0 | 11/21/06 |
| ET1-213 | Electrical Partial Second Floor Area 213 Telecommunications and Data Plan | 0 | 11/21/06 |
| ET1-223 | Electrical Partial Second Floor Area 223 Telecommunications and Data Plan | 0 | 11/21/06 |
| ET1-302 | Electrical Partial Third Floor Area 302 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-311 | Electrical Partial Third Floor Area 311 Telecommunications and Data Plan  | 0 | 11/21/06 |
| ET1-312 | Electrical Partial Third Floor Area 312 Telecommunications and Data Plan  | 0 | 11/21/06 |
| EY1-101 | Electrical Partial First Floor Area 101 Special Systems Plan              | 0 | 11/21/06 |
| EY1-102 | Electrical Partial First Floor Area 102 Special Systems Plan              | 0 | 11/21/06 |
| EY1-111 | Electrical Partial First Floor Area 111 Special Systems Plan              | 0 | 11/21/06 |
| EY1-112 | Electrical Partial First Floor Area 112 Special Systems Plan              | 0 | 11/21/06 |
| EY1-113 | Electrical Partial First Floor Area 113 Special Systems Plan              | 0 | 11/21/06 |
| EY1-121 | Electrical Partial First Floor Area 121 Special Systems Plan              | 0 | 11/21/06 |
| EY1-123 | Electrical Partial First Floor Area 123 Special Systems Plan              | 0 | 11/21/06 |
| EY1-201 | Electrical Partial Second Floor Area 201 Special Systems Plan             | 0 | 11/21/06 |
| EY1-202 | Electrical Partial Second Floor Area 202 Special Systems Plan             | 0 | 11/21/06 |
| EY1-211 | Electrical Partial Second Floor Area 211 Special Systems Plan             | 0 | 11/21/06 |
| EY1-212 | Electrical Partial Second Floor Area 212 Special Systems Plan             | 0 | 11/21/06 |
| EY1-213 | Electrical Partial Second Floor Area 213 Special Systems Plan             | 0 | 11/21/06 |
| EY1-221 | Electrical Partial Second Floor Area 221 Special Systems Plan             | 0 | 11/21/06 |
| EY1-223 | Electrical Partial Second Floor Area 223 Special Systems Plan             | 0 | 11/21/06 |
| EY1-302 | Electrical Partial Third Floor Area 302 Special Systems Plan              | 0 | 11/21/06 |
| EY1-311 | Electrical Partial Third Floor Area 311 Special Systems Plan              | 0 | 11/21/06 |
| EY1-312 | Electrical Partial Third Floor Area 312 Special Systems Plan              | 0 | 11/21/06 |

## MECHANICAL

| Drawing  | Description                                           | Revision No. | Revision Date |
|----------|-------------------------------------------------------|--------------|---------------|
| Q0-001   | Mechanical Piping Abbreviations & Legends             | 0            | 11/21/06      |
| Q0-002   | Mechanical Piping Specifications                      | 0            | 11/21/06      |
| Q0-003   | Mechanical Piping Specifications                      | 0            | 11/21/06      |
| Q1-101.1 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-101.2 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-102.1 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-102.2 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-102.3 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-111.2 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-111.3 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-111.4 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-112.1 | Mechanical Piping Partial Floor Plan First Floor      | 0            | 11/21/06      |
| Q1-112.2 | Mechanical Piping Partial Floor Plan First Floor Plan | A            | 02/15/07      |

United Therapeutics — xxxxxx  
Subcontract No. 16-26002-01

Subcontractor: <<SUB>>

|          |                                                            |   |          |
|----------|------------------------------------------------------------|---|----------|
| Q1-112.3 | Mechanical Piping Partial Floor Plan First Floor Plan      | 0 | 11/21/06 |
| Q1-112.4 | Mechanical Piping Partial Floor Plan First Floor Plan      | 0 | 11/21/06 |
| Q1-112.5 | Mechanical Piping Partial Floor Plan First Floor           | A | 02/15/07 |
| Q1-112.6 | Mechanical Piping Partial Floor Plan First Floor Plan      | 0 | 11/21/06 |
| Q1-113.1 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-113.2 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-113.3 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-121.1 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-123.1 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-123.2 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-123.3 | Mechanical Piping Partial Floor Plan Floor Plan            | 0 | 11/21/06 |
| Q1-123.4 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-123.5 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-132.2 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-133.1 | Mechanical Piping Partial Floor Plan First Floor           | 0 | 11/21/06 |
| Q1-201.1 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-201.2 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-202.1 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-202.2 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-202.3 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-211.2 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-211.3 | Mechanical Piping Partial Floor Plan Second Floor          | A | 02/15/07 |
| Q1-211.4 | Mechanical HVAC Partial Floor Plan Second Floor            | A | 02/15/07 |
| Q1-212.1 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-212.2 | Mechanical Piping Partial Floor Plan Second Floor          | A | 02/15/07 |
| Q1-212.3 | Mechanical HVAC Partial Floor Plan Second Floor            | 0 | 11/21/06 |
| Q1-212.4 | Mechanical HVAC Partial Floor Plan Second Floor            | 0 | 11/21/06 |
| Q1-212.5 | Mechanical HVAC Partial Floor Plan Second Floor            | A | 02/15/07 |
| Q1-212.6 | Mechanical Piping Partial Floor Plan Second Floor Plan     | 0 | 11/21/06 |
| Q1-213.1 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-213.2 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-213.3 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-221.1 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-223.1 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-223.2 | Mechanical Piping Partial Floor Plan Second Floor          | A | 8/14/06  |
| Q1-223.3 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-223.4 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-223.5 | Mechanical Piping Partial Floor Plan Second Floor          | 0 | 11/21/06 |
| Q1-302   | Mechanical Piping Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| Q1-311   | Mechanical Piping Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| Q1-312   | Mechanical Piping Partial Floor Plan Third Floor           | 0 | 11/21/06 |
| Q3-101   | Mechanical Piping Sections                                 | 0 | 11/21/06 |
| Q3-102   | Mechanical Piping Chiller & Boiler Room Sections           | 0 | 11/21/06 |
| Q3-103   | Mechanical Piping Chiller Room Sections                    | 0 | 11/21/06 |
| Q3-104   | Mechanical Piping Cooling Tower Sections                   | 0 | 11/21/06 |
| Q3-105   | Mechanical Piping Cooling Tower Section                    | 0 | 11/21/06 |
| Q4-101   | Mechanical Piping Enlarged Partial Floor Plan              | 0 | 11/21/06 |
| Q4-102   | Mechanical Piping Enlarged Partial Chiller Room Floor Plan | 0 | 11/21/06 |
| Q5-101   | Mechanical Piping Steam & Condensate Details               | 0 | 11/21/06 |
| Q5-102   | Mechanical Piping Steam & Condensate Details               | 0 | 11/21/06 |
| Q5-103   | Mechanical Piping Hot Water/Chilled Water Detials          | 0 | 11/21/06 |
| Q5-104   | Mechanical Piping Details                                  | 0 | 11/21/06 |
| Q5-105   | Mechanical Piping Details                                  | 0 | 11/21/06 |
| Q5-106   | Mechanical Piping Support Details                          | 0 | 11/21/06 |
| Q5-107   | Mechanical Piping Details                                  | 0 | 11/21/06 |
| Q5-108   | Mechanical Piping Support Details                          | 0 | 11/21/06 |
| Q6-101   | Mechanical Piping Schedule                                 | 0 | 11/21/06 |

|        |                                                       |   |          |
|--------|-------------------------------------------------------|---|----------|
| Q6-102 | Mechanical Piping Schedule                            | 0 | 11/21/06 |
| Q6-103 | Mechanical Piping Schedules                           | 0 | 11/21/06 |
| Q8-001 | Mechanical Piping P&ID Lead Sheet                     | 0 | 11/21/06 |
| Q8-011 | Mechanical Piping Chilled Water P&ID                  | 0 | 11/21/06 |
| Q8-012 | Mechanical Piping Chilled Water Distribution          | 0 | 11/21/06 |
| Q8-021 | Mechanical Piping Cooling Tower Water P&ID            | 0 | 11/21/06 |
| Q8-031 | Mechanical Piping Steam Generation P&ID               | 0 | 11/21/06 |
| Q8-032 | Mechanical Piping Steam Distribution P&ID             | 0 | 11/21/06 |
| Q8-041 | Mechanical Piping Compressed Air P&ID                 | 0 | 11/21/06 |
| Q8-051 | Mechanical Piping Heating Hot Water P&ID              | 0 | 11/21/06 |
| Q8-052 | Mechanical Piping Heating Hot Water Distribution P&ID | 0 | 11/21/06 |
| Q8-061 | Mechanical Piping Fuel Oil System P&ID                | 0 | 11/21/06 |
| Q8-071 | Mechanical Piping Vacuum System P&ID                  | 0 | 11/21/06 |
| Q8-081 | Mechanical Piping Natural Gas and Propane P&ID        | 0 | 11/21/06 |
| Q8-082 | Mechanical Piping Reflecting Pool System              | 0 | 11/21/06 |

## FIRE SAFETY

| Drawing | Description                                                         | Revision No. | Revision Date |
|---------|---------------------------------------------------------------------|--------------|---------------|
| FP-001  | Fire Protection Sprinkler Specifications and Notes                  | 0            | 11/21/06      |
| FP-100  | Fire Protection Sprinkler System Design Density Layout First Floor  | 0            | 11/21/06      |
| FP-101  | Fire Protection Equipment Layout First Floor                        | 0            | 11/21/06      |
| FP-200  | Fire Protection Sprinkler System Design Density Layout Second Floor | 0            | 11/21/06      |
| FP-201  | Fire Protection Equipment Layout Second Floor                       | 0            | 11/21/06      |
| FP-300  | Fire Protection Sprinkler System Design Density Layout Third Floor  | 0            | 11/21/06      |
| FP-301  | Fire Protection Equipment Layout Third Floor                        | 0            | 11/21/06      |
| FP-400  | Fire Protection Fire Pump House Detail                              | 0            | 11/21/06      |
| FP-500  | Fire Protection Raw Material Storage Alternate 1                    | 0            | 11/21/06      |

## PLUMBING

| Drawing  | Description                             | Revision No. | Revision Date |
|----------|-----------------------------------------|--------------|---------------|
| P-001    | Plumbing Abbreviations and Legend       | 0            | 11/21/06      |
| P-002    | Plumbing Specifications                 | 0            | 11/21/06      |
| P-003    | Plumbing Specifications                 | 0            | 11/21/06      |
| P1-101.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-101.2 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-102.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-102.2 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-102.3 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-111.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-111.2 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-111.3 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-111.4 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-112.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-112.2 | Plumbing Partial Floor Plan First Floor | A            | 02/15/07      |
| P1-112.3 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-112.4 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-112.5 | Plumbing Partial Floor Plan First Floor | A            | 02/15/07      |
| P1-112.6 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-113.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-113.2 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-113.3 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-121.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-123.1 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-123.2 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |
| P1-123.3 | Plumbing Partial Floor Plan First Floor | 0            | 11/21/06      |

|          |                                              |   |          |
|----------|----------------------------------------------|---|----------|
| P1-123.4 | Plumbing Partial Floor Plan First Floor      | 0 | 11/21/06 |
| P1-123.5 | Plumbing Partial Floor Plan First Floor      | 0 | 11/21/06 |
| P1-201.1 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-201.2 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-202.1 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-202.2 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-202.3 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-211.1 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-211.2 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-211.3 | Plumbing Partial Floor Plan Second Floor     | A | 02/15/07 |
| P1-211.4 | Plumbing Partial Floor Plan Second Floor     | A | 02/15/07 |
| P1-212.1 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-212.2 | Plumbing Partial Floor Plan Second Floor     | A | 02/15/07 |
| P1-212.3 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-212.4 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-212.5 | Plumbing Partial Floor Plan Second Floor     | A | 02/15/07 |
| P1-212.6 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-213.1 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-213.3 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-221.1 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-223.1 | Partial Floor Plan Second Floor              | 0 | 11/21/06 |
| P1-223.2 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-223.3 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-223.4 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-223.5 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P1-301.1 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-301.2 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-302.1 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-302.2 | Plumbing Partial Floor Plan Third Floor Plan | 0 | 11/21/06 |
| P1-302.3 | Plumbing Partial Floor Plan Third Floor Plan | 0 | 11/21/06 |
| P1-311.1 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-311.2 | Plumbing Partial Floor Plan Third Floor      | A | 02/15/07 |
| P1-311.3 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-311.4 | Plumbing Partial Floor Plan Third Floor      | A | 02/15/07 |
| P1-312.1 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-312.2 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-312.3 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-312.4 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-312.5 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-312.6 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-313.1 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-313.2 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-313.3 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-323.1 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-323.2 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-323.3 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-323.4 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-323.5 | Plumbing Partial Floor Plan Third Floor      | 0 | 11/21/06 |
| P1-213.2 | Plumbing Partial Floor Plan Second Floor     | 0 | 11/21/06 |
| P4-131   | Plumbing Utilities Yard Plan                 | A | 02/15/07 |
| P3-101   | Plumbing Riser Diagrams                      | 0 | 11/21/06 |
| P3-102   | Plumbing Riser Diagrams                      | 0 | 11/21/06 |
| P3-103   | Plumbing Riser Diagrams                      | 0 | 11/21/06 |
| P3-104   | Plumbing Riser Diagrams                      | 0 | 11/21/06 |
| P3-105   | Plumbing Riser Diagrams                      | 0 | 11/21/06 |
| P3-106   | Plumbing First Floor Water Isometrics        | 0 | 11/21/06 |
| P3-107   | Plumbing Second Floor Water Isometrics       | 0 | 11/21/06 |
| P5-101   | Plumbing Details                             | 0 | 11/21/06 |

|        |                  |   |          |
|--------|------------------|---|----------|
| P5-102 | Plumbing Details | 0 | 11/21/06 |
| P5-103 | Plumbing Details | 0 | 11/21/06 |

#### C. GEOTECHNICAL REPORT

|                                    |                                                            |          |
|------------------------------------|------------------------------------------------------------|----------|
| PC ATC Project<br>No. 45.31244.001 | Soils Report, provided by ATC Associates of North Carolina | 07/11/06 |
|------------------------------------|------------------------------------------------------------|----------|

#### D. EQUIPMENT LIST

|                                                                           |                                  |            |          |
|---------------------------------------------------------------------------|----------------------------------|------------|----------|
| Equipment List<br>Numbering System                                        | RTP Phase 1                      | Revision 0 | 11/21/06 |
| Equipment List                                                            | RTP Phase 1                      | Revision 0 | 11/21/06 |
| Equipment List<br>Install<br>Responsibilities<br>and Equipment<br>Package | Issued by DPR Construction, Inc. |            | 02/20/07 |

#### E. REQUEST FOR INFORMATION (RFIs):

|                                  |
|----------------------------------|
| Response to RFI 001              |
| Response to RFIs 010 through 036 |
| Response to RFI 039              |
| Response to RFIs 042 through 044 |
| Response to RFIs 046 through 047 |
| Response to RFI 049 through 051  |
| Response to RFI 055              |

#### F. VE CLARIFICATION – DOCUMENTS

#### G. INSTRUMENT LIST

|                                                          |                                                                            |         |          |
|----------------------------------------------------------|----------------------------------------------------------------------------|---------|----------|
| Thermowell<br>Connections                                | Sketches                                                                   | 6 pages | 11/21/06 |
| Section 011113.17                                        | Work Covered By Contract Documents Controls Work                           | Rev. 0  | 11/21/06 |
| Section 250500                                           | Common Work Results For Integrated Automation                              | Rev. 0  | 11/21/07 |
| Section 251316                                           | Integrated Automation Control and Monitoring Network Integration<br>Panels | Rev. 0  | 11/21/06 |
| Section 255100                                           | Integrated Automation Control of Facility Equipment                        | Rev. 0  | 11/21/06 |
| Section 259100                                           | Integrated Automation Control Sequences For Facility Equipment             | Rev. 0  | 11/21/06 |
| Instrument Index                                         | 100 Pages                                                                  | Rev. 0  | 11/21/06 |
| Instruments by<br>Specification Type                     | 164 Pages                                                                  | Rev. 0  | 11/21/06 |
| Instrumentation &<br>Controls<br>Specifications<br>(TOC) | 1 page                                                                     |         | 11/21/06 |
| I/O Count                                                | 23 Pages                                                                   | Rev. 0  | 11/21/06 |
| I/O Schedule                                             | 24 Pages                                                                   | Rev. 0  | 11/21/06 |

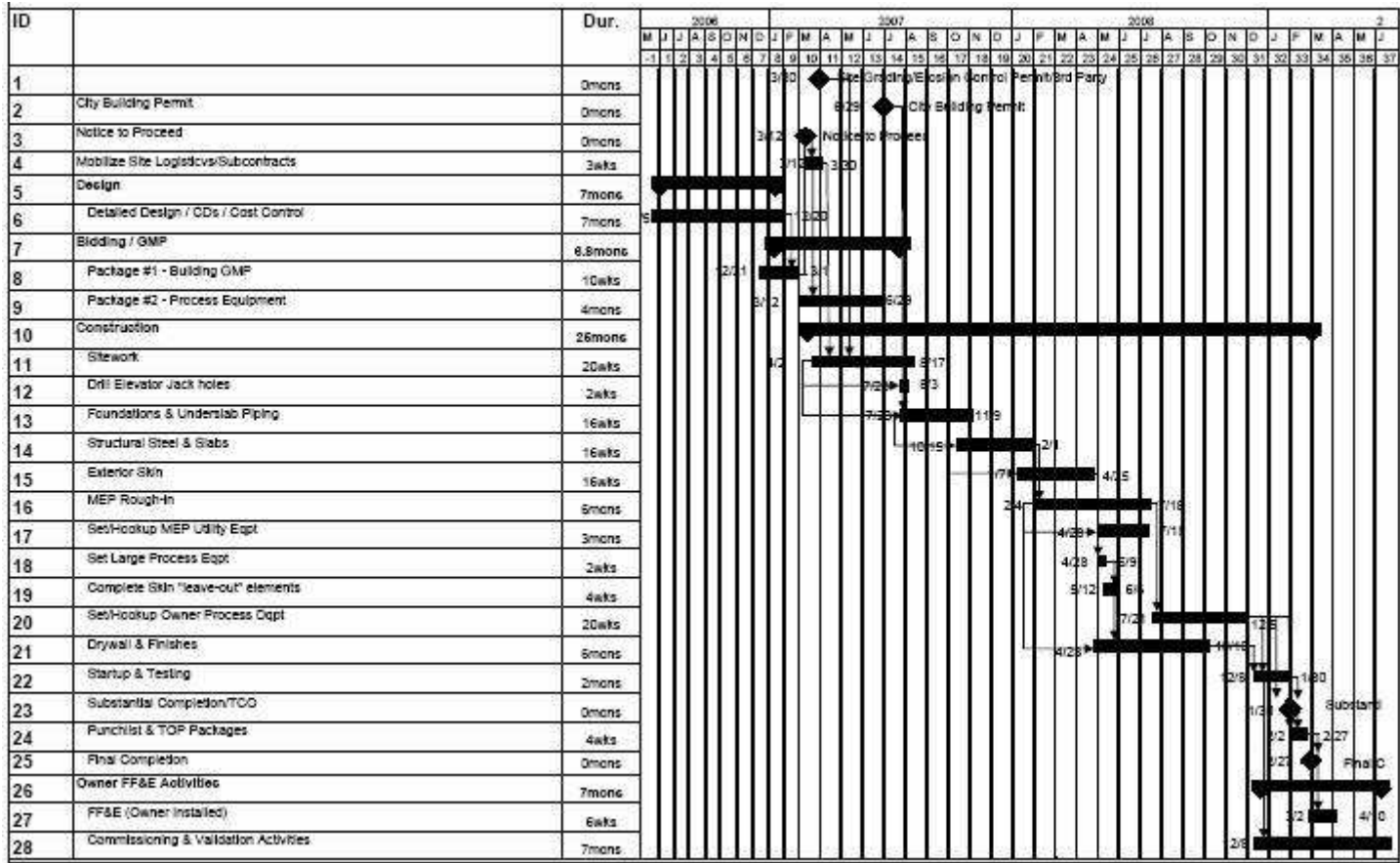
#### H. SCHEDULE

|                              |                                  |          |
|------------------------------|----------------------------------|----------|
| Contract Summary<br>Schedule | Issued by DPR Construction, Inc. | 02/22/07 |
|------------------------------|----------------------------------|----------|

## 6. Construction Schedule

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United Therapeutics Phase 1  
Contract Summary  
Schedule







**United Therapeutics  
Solid Dose Facility  
Research Triangle Park, North Carolina**

**GMP - Value Engineering and Cost Studies Log**

|               |                                             | <u>Savings</u> | <u>Accepted</u> | <u>Rejected</u> | <u>Pending</u> | <u>Need Decision</u> | <u>Comments</u>                                     |
|---------------|---------------------------------------------|----------------|-----------------|-----------------|----------------|----------------------|-----------------------------------------------------|
| <b>CP-002</b> | <b>Sitework/Utilities/Paving</b>            | (\$*)          | (\$*)           | (\$*)           | \$*            |                      |                                                     |
| 002-01        | Revise Site Classification to Classified    | (\$*)          | (\$*)           | (\$*)           |                | 3/27/2007            | Currently unclassified                              |
| <b>CP-007</b> | <b>Masonry</b>                              | (\$*)          | \$*             | (\$*)           | \$*            |                      |                                                     |
| 002-01        | Standard CMU Exterior Walls                 | (\$*)          |                 | (\$*)           |                | 4/27/2007            | Currently unclassified                              |
| <b>CP-008</b> | <b>Structural Metals</b>                    | \$*            | \$*             | \$*             | \$*            |                      |                                                     |
|               | 304 S/S ILO 316                             | *              |                 |                 | *              |                      | Handrail/Flashing/Corner Guard                      |
| <b>CP-009</b> | <b>Carpentry</b>                            | \$*            | \$*             | \$*             | \$*            |                      |                                                     |
|               | Alternate Wall material ILO "Corian"        | *              |                 |                 | *              |                      |                                                     |
| <b>CP-011</b> | <b>Fireproofing</b>                         | (\$*)          | \$*             | \$*             | (\$*)          |                      |                                                     |
| 011-01        | Delete Fireproofing after Code Review       | (\$*)          |                 |                 | (\$*)          | 5/28/2007            | Is not required                                     |
| <b>CP-012</b> | <b>Metal Panels</b>                         | (\$*)          | \$*             | \$*             | (\$*)          |                      |                                                     |
| 012-01        | Revise Metal Panel Systems                  | (\$*)          |                 |                 | (\$*)          | 3/27/2007            | Formabond and S/S to 4MM ACM-wet seal-lighter guage |
| 012-02        | Delete Metal Panels in stairs 11115 & 11135 | *              |                 |                 | *              |                      | Drywall & Epoxy Paint                               |
| 012-03        | S/S column Wraps to 304s/s                  | *              |                 |                 | *              |                      |                                                     |
| <b>CP-013</b> | <b>Roofing</b>                              | (\$*)          | (\$*)           | \$*             | \$*            |                      |                                                     |
| 013-01        | 60 Mil TPO ILO EPDM                         | (\$*)          | (\$*)           |                 |                | 5/28/2007            | White                                               |
| <b>CP-014</b> | <b>Doors/Frames/Hardware</b>                | (\$*)          | \$*             | \$*             | (\$*)          |                      |                                                     |
| 014-01        | Alternate Door Manufacturer                 | (\$*)          |                 |                 | (\$*)          | 5/28/2007            | FRP doors                                           |
| <b>CP-015</b> | <b>Special Doors</b>                        | (\$*)          | \$*             | \$*             | (\$*)          |                      |                                                     |
| 015-01        | Alternate ASI doors                         | (\$*)          |                 |                 | (\$*)          | 5/28/2007            | Different ASI door from Base ASI door               |
| 015-02        | Alternate Manufacturer for Doors            | (\$*)          |                 |                 | (\$*)          | 5/28/2007            | Rolling doors fire shutters/security grills         |
| <b>CP-016</b> | <b>Glass and Glazing</b>                    | (\$*)          | \$*             | \$*             | (\$*)          |                      |                                                     |
| 016-          |                                             |                |                 |                 |                |                      |                                                     |

|            |                                         |              |              |              |              |           |                                  |
|------------|-----------------------------------------|--------------|--------------|--------------|--------------|-----------|----------------------------------|
| 01         | Alternate Tube Manufacturer             | (\$*)        |              |              | (\$* )       | 3/27/2007 | ILO United Aluminium             |
| 016-02     | Alternate Structural Glass Manufacturer | (\$*)        |              |              | (\$* )       | 3/27/2007 | W&W ILO Oldcastle                |
| 016-03     | Alternate Revolving door Manufacturer   | (\$*)        |              |              | (\$* )       | 3/27/2007 | Crane ILO Boone Edam             |
| 016-04     | Eliminate Low Glass                     | *            |              |              | *            |           |                                  |
| 016-04     | Anodized Finish inside ILO Kynar        | *            |              |              | *            |           |                                  |
| <b>CP</b>  |                                         |              |              |              |              |           |                                  |
| <b>020</b> | <b>Floor Coverings</b>                  | <b>(\$*)</b> | <b>\$*</b>   | <b>\$*</b>   | <b>(\$*)</b> |           |                                  |
| 020-01     | Wood Floors to Carpet                   | (\$*)        |              |              | (\$*)        | 5/28/2007 | Rooms12312/20012 & 20013         |
| 020-02     | Less expensive carpet                   | *            |              |              |              |           | Broadloom or less expensive tile |
| <b>CP</b>  |                                         |              |              |              |              |           |                                  |
| <b>021</b> | <b>Epoxy Flooring Systems</b>           | <b>(\$*)</b> | <b>\$*</b>   | <b>(\$*)</b> | <b>\$*</b>   |           |                                  |
| 021-01     | Delete Vapor Transmission Barrier       | (\$*)        |              |              | (\$*)        | 5/28/2007 | Under terrazzo & epoxy           |
| 021-02     | Simplify Terrazzo pattern               | *            |              |              | *            |           | 11101/11109/11124                |
|            | Ground Concrete ILO Terrazzo            | *            |              |              | *            |           |                                  |
| <b>CP</b>  |                                         |              |              |              |              |           |                                  |
| <b>029</b> | <b>Seating</b>                          | <b>(\$*)</b> | <b>\$*</b>   | <b>\$*</b>   | <b>(\$*)</b> |           |                                  |
| 029-01     | Least Costly Seating Finish             | (\$* )       |              |              | (\$*)        | 5/28/2007 | See page 5 of the specifications |
| <b>CP</b>  |                                         |              |              |              |              |           |                                  |
| <b>030</b> | <b>Elevators</b>                        | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> | <b>\$*</b>   |           |                                  |
| 030-01     | Standard Ceiling Heights                | (\$*)        | (\$*)        | (\$*)        |              | 5/28/2007 | Manufacturers standard Heights   |

**United Therapeutics  
Solid Dose Facility  
Research Triangle Park, North Carolina**

**GMP - Value Engineering and Cost Studies Log**

|            |                                                                                                                                                                                                                                                         | Savings | Accepted | Rejected | Pending | Need Decision | Comments |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|----------|---------|---------------|----------|
| <b>CP</b>  |                                                                                                                                                                                                                                                         |         |          |          |         |               |          |
| <b>031</b> | <b>HVAC and Plumbing</b>                                                                                                                                                                                                                                | (\$*)   | (\$*)    | (\$*)    | \$*     |               |          |
| 031-01     | Revise Process Waste and Vent Piping to Schedule 40 Polypropylene from Schedule 80 Polypropylene.                                                                                                                                                       | (\$* )  | (\$*)    | (\$*)    |         | 3/27/2007     |          |
| 031-02     | Revise above ground storm drainage piping from extra heavy weight hub and spigot cast iron pipe and fittings to service weight no hub cast iron pipe and fittings.                                                                                      | (\$* )  | (\$*)    |          |         | 3/27/2007     |          |
| 031-03     | Revise above ground sanitary sewer drainage piping from extra heavy weight hub and spigot cast iron pipe and fittings to service weight no hub cast iron pipe and fittings.                                                                             | (\$* )  | (\$*)    |          |         | 3/27/2007     |          |
| 031-04     | Change the carbon steel piping specification from A-106 pipe to A53 ERW pipe for steam, steam condensate, pumped condensate, steam vents, steam drains, heating hot water, chilled water, chiller vent, propane, boiler feedwater, and condenser water. | (\$*)   | (\$*)    | (\$*)    |         | 3/27/2007     |          |
| 031-05     | Revise the steam boiler relief vent piping to vent each boiler separately in lieu of header layout.                                                                                                                                                     | (\$* )  | (\$*)    |          |         | 4/27/2007     |          |
| 031-06     | Revise ductwork classification on AHU-1 and 2 from 10" wg to 3" wg.                                                                                                                                                                                     | (\$* )  | (\$*)    |          |         | 4/27/2007     |          |
| 031-07     | Revise ductwork material for AHU-1 and 2 from stainless steel to galvanized.                                                                                                                                                                            | (\$* )  | (\$*)    |          |         | 4/27/2007     |          |
| 031-08     | Revise the ductwork classifications on AHU-5, 8, 9, 12, 14 and 16 to 3" wg from stated classifications.                                                                                                                                                 | (\$* )  | (\$*)    |          |         | 4/27/2007     |          |
| 031-09     | Delete the chemical treatment self-cleaning strainer and centrifugal separator for a cooling tower basin filtration system.                                                                                                                             | (\$* )  |          | (\$*)    |         | 5/28/2007     |          |
| 031-10     | Change the three chilled water pumps from double suction to end suction.                                                                                                                                                                                | (\$* )  |          | (\$*)    |         | 5/28/2007     |          |
| 031-11     | Utilize 20 ga stainless steel in lieu of 16 ga stainless steel for low wall return duct.                                                                                                                                                                | (\$* )  | (\$*)    |          |         | 3/27/2007     |          |
| <b>CP</b>  |                                                                                                                                                                                                                                                         |         |          |          |         |               |          |
| <b>032</b> | <b>Fire Protection</b>                                                                                                                                                                                                                                  | (\$*)   | \$*      | \$*      | (\$*)   |               |          |
| 032-01     | Utilize dry pendant sprinkler heads at the freezer / cold room in lieu of dry pipe sprinkler systems.                                                                                                                                                   | (\$*)   |          |          | (\$*)   | 5/28/2007     |          |
| <b>CP</b>  |                                                                                                                                                                                                                                                         |         |          |          |         |               |          |
| <b>033</b> | <b>Electrical and Fire Alarm</b>                                                                                                                                                                                                                        | (\$*)   | (\$*)    | (\$*)    | (\$*)   |               |          |
| 033-       | Utilize alternate lighting fixture                                                                                                                                                                                                                      |         |          |          |         |               |          |

|               |                                                                                                                                       |              |              |              |              |           |                                                |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|-----------|------------------------------------------------|
| 01            | package.                                                                                                                              | (\$* )       |              |              | (\$*)        | 3/27/2007 |                                                |
| 033-02        | Utilize underground secondary feeders in conduit ductbanks in lieu of overhead IAC in cable tray.                                     | (\$* )       |              |              | (\$*)        | 4/27/2007 | Cannot be combined with Items 33-03 and 33-04. |
| 033-03        | Install feeders sized according amperage of the switchboards, panel boards and panels which they are serving.                         | (\$*)        |              | (\$*)        | (\$*)        | 3/27/2007 |                                                |
| 033-04        | Utilize type XHHW-2 compact stabi-loy aluminum conductors in lieu of copper for all wire sizes #1 and larger.                         | (\$* )       |              | (\$ * )      |              | 3/27/2007 |                                                |
| 033-05        | Utilize solid conductor in lieu of stranded conductors as specified for sizes #10 and smaller                                         | (\$* )       |              |              | (\$*)        | 3/27/2007 |                                                |
| 033-06        | Utilize set screw die cast EMT fittings in lieu of set screw steel fittings as specified.                                             | (\$* )       |              |              | (\$*)        | 5/28/2007 |                                                |
| 033-07        | Delete the conduit systems for CCTV, Card Access and Security and provide stub ups only to the nearest accessible ceiling space.      | (\$* )       |              |              | (\$*)        | 5/28/2007 |                                                |
| 033-08        | Utilize MC cable for all branch circuiting above ceilings. All home runs and exposed branch circuiting shall be installed in conduit. | (\$*)        | (\$* )       |              |              | 5/28/2007 |                                                |
| 033-09        | Delete the duel fuel requirement for the emergency generators.                                                                        | (\$*)        |              |              | (\$*)        | 3/27/2007 |                                                |
| 033-10        | Delete all independent third party electrical requirements.                                                                           | (\$*)        |              |              | (\$*)        | 5/28/2007 |                                                |
| <b>CP 034</b> | <b>Building Automation</b>                                                                                                            | <b>\$*</b>   | <b>\$*</b>   | <b>\$*</b>   | <b>\$*</b>   |           |                                                |
| 034-01        | Reheat and humidification control valves                                                                                              | *            |              |              |              | 3/27/2007 | Less Expensive Valve                           |
| <b>CP 036</b> | <b>Process Piping and Process Eq. Setting</b>                                                                                         | <b>(\$*)</b> | <b>\$*</b>   | <b>\$*</b>   | <b>(\$*)</b> |           |                                                |
| 036-01        | Utilize Ingersol Rand air compressors in lieu of the specified Atlas Copco.                                                           | (\$*)        |              |              | (\$*)        | 3/27/2007 |                                                |
| <b>CP 037</b> | <b>Envrionmental Rooms</b>                                                                                                            | <b>(\$*)</b> | <b>\$*</b>   | <b>(\$*)</b> | <b>\$*</b>   |           |                                                |
| 037-01        | Revise Ceiling heights                                                                                                                | (\$*)        |              | (\$*)        |              | 5/28/2007 | 10' ceilings                                   |
|               | <b>Allowances</b>                                                                                                                     | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> |           |                                                |
|               | Delete Solar Panels                                                                                                                   | (\$*)        |              | (\$*)        |              | 5/28/2007 |                                                |
|               | Delete Reflecting Pools                                                                                                               | (\$*)        | (\$*)        |              | (\$*)        | 5/28/2007 |                                                |
|               | <b>Subtotal</b>                                                                                                                       | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> |           |                                                |
|               | Incidental Costs (fee/ins/contengency)                                                                                                | (\$*)        | (\$*)        | (\$*)        | (\$*)        |           |                                                |
|               | <b>Totals</b>                                                                                                                         | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> | <b>(\$*)</b> |           |                                                |

**EXHIBIT E**

**FORM OF PARTIAL AND FINAL WAIVERS AND RELEASE OF LIENS**

**(see attached)**

---

## CONTRACTOR AFFIDAVIT AND PARTIAL RELEASE OF LIENS AND CLAIMS

OWNER:

CONTRACTOR:

PROJECT :

CONTRACT DATE:

FROM:

STREET:

CITY, ST.:

### **I. Certifications, Affirmations and Warranties**

The undersigned, to support its entitlement to the requested payment, and for and in consideration of payments made by ("Owner") to the undersigned or to a Subcontractor, Materialman, or Supplier of the undersigned, and contingent upon the receipt of such payment, for work performed in the construction of the above-referenced Project pursuant to the above-referenced Contract, hereby affirms, certifies and warrants as follows:

1. Payment Request No. \_\_\_\_\_ represents the actual value of work performed through the above indicated payment request period for which payment is due under the terms of the Contract (and all authorized changes thereto) between the undersigned and Owner relating to the Project, including (i) all labor expended in the construction of the Project, (ii) all materials, fixtures and equipment delivered to Project, (iii) all materials, fixtures and equipment for the Project stored offsite to the extent authorized by Owner and for which payment therefore is permitted by the Contract and all requirements of said Contract with respect to materials stored offsite have been fulfilled, (iv) all services performed in the construction of the Project, and (v) all equipment used, for provided for use, in the construction of the Project. Such work including items (I) through (v) is hereafter collectively referred to as "work performed in the construction of the Project".

2. Except for retainage, if applicable, there are no outstanding claims against the Owner and/or its lenders and guarantors, or the Project, in connection with the work performed in the construction of the Project through the \_\_\_\_\_ day of \_\_\_\_\_, 200 .

3. The undersigned has not assigned to anyone any claim, any lien, or any right to file or perfect a lien, against the Owner and/or its lenders, or the Project.

4. The undersigned has paid in full all laborers, and, subject to retainage and Exceptions, all Subcontractors, Suppliers, Materialmen, trade unions and others with respect to all work performed in the construction of the Project through \_\_\_\_\_ day of \_\_\_\_\_, 200 . No such party has filed or can properly file any claim, demand, lien, encumbrance or action against the Owner and/or its lenders, or the Project.

5. The undersigned has not given or executed any security interest for or in connection with any materials, equipment, appliances, machines, fixtures or furnishings which have been or are to be placed upon or installed in the Project, and is conveying good title to the same to the Owner.

6. The undersigned has paid all amounts due benefit funds, trade unions, applicable taxes, applicable fees, duties and other like charges relating directly or indirectly to the work performed in the construction of the Project.

7. The undersigned has complied with all applicable federal, state and local laws, codes, ordinances and regulations relating to the work performed in the construction of the Project.

8. The undersigned has the right, power and authority to execute this document.

## II. Waiver and Release

In accord with the Contract, the undersigned does hereby forever waive and release in favor of the Owner and its lenders, the Project and the title company or companies examining and/or insuring title to the Project, and any and all successors and assignees of the above, all rights that presently exist or hereafter may accrue to the undersigned by reason of work performed in the construction of the Project through the day of \_\_\_\_\_, 200 , (1) to assert a lien upon the land and/or improvements comprising the Project, and (2) to assert or bring any causes of action, claims, suits and demands which the undersigned ever had or now has against the Owner and/or its lenders, or the Project.

## III. Indemnification

The undersigned hereby agrees to indemnify and hold harmless the Owner and its lenders, from any and all damages, costs, expenses, demands, and suits, (including reasonable legal fees) directly or indirectly relating to any cause of action, claim or lien filing by any party with respect to any (1) work performed in the construction of the Project or work which should have been performed in construction of the Project through the \_\_\_\_\_ of \_\_\_\_\_, 200 , (2) any rights waived or released herein, and (3) any misrepresentation or breach of any certification, affirmation or warranty made by the undersigned in this Affidavit, Waiver and Release of Liens, and upon the request the Owner or its lenders, will undertake to defend such causes of action, claims or lien filings at its sole cost and expense.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Construction Manager - Full Corporate Name)

By: \_\_\_\_\_  
(Authorized Signature)

Title: \_\_\_\_\_  
(Corporate Title)

Subscribed and sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_,  
200 .

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_



## CONTRACTOR FINAL AFFIDAVIT, WAIVER AND RELEASE OF LIENS AND CLAIMS

**OWNER:**

**CONTRACTOR:**

**PROJECT :**

**CONTRACT DATE:**

**FROM:**

**STREET:**

**CITY, ST.:**

### **I. Certifications, Affirmations and Warranties**

The undersigned, to support its entitlement to the requested payment, and for and in consideration of final payment made by ("Owner") to the undersigned or to a subcontractor, materialman, or supplier of the undersigned, and contingent upon the receipt of such payment, for work performed in the construction of the above-referenced Project pursuant to the above-referenced Contract, hereby affirms, certifies and warrants as follows:

1. Upon receipt of the sum of \$ \_\_\_\_\_, the undersigned will have received final payment under the terms of the Contract (and all authorized changes thereto) between the undersigned and Owner relating to the Project, including (1) all labor expended in the construction of the Project, (2) all materials, fixtures and equipment delivered to the site and either incorporated or to be incorporated into the Project, (3) all materials, fixtures and equipment for the Project stored offsite to the extent authorized by Owner and for which payment therefor is permitted by the Contract and all requirements of said Contract with respect to materials stored offsite have been fulfilled, (4) all services performed in the construction of the Project, and (5) all equipment used, or provided for use, in the construction of the Project. Such work including items (1) through (5) is hereafter collectively referred to as "work performed in the construction of the Project."

2. Except for receipt of final payment as set forth in paragraph I, there are no outstanding claims against the Owner and/or its lenders, or the Project, in connection with the work performed in the construction of the Project.

3. The undersigned has not assigned to anyone any claim, any lien, or any right to file or perfect a lien, against the Owner and/or its lenders, or the Project.

4. The undersigned has paid in full all laborers, and, subject to retainage, all subcontractors, suppliers, materialmen, trade unions and others with respect to all work performed in the construction of the Project. No such party has filed or can properly file any claim, demand, lien, encumbrance or action against the Owner and/or its lenders, or the Project.

5. The undersigned has not given or executed any security interest for or in connection with any materials, equipment, appliances, machines, fixtures or furnishings which have been or are to be placed upon or installed in the Project, and is conveying good title of the same to the Owner.

6. The undersigned has paid all amounts due benefit funds, trade unions, applicable taxes, applicable fees, duties and other like charges relating directly or indirectly to the work performed in the construction of the Project.

7. The undersigned has complied with all applicable federal, state and local laws, codes, ordinances and regulations relating to the work performed in the construction of the Project.

8. The undersigned has the right, power and authority to execute this document.

## II. Waiver and Release

In accord with the Contract, the undersigned does hereby forever waive and release in favor of the Owner and its lenders, the Project and the title company or companies examining and/or insuring title to the Project, and any and all successors and assignees of the above, all rights that presently exist or hereafter may accrue to the undersigned by reason of work performed in the construction of the Project through the day of \_\_\_\_\_, 200 , (1) to assert a lien upon the land and/or improvements comprising the Project, and (2) to assert or bring any causes of action, claims, suits and demands which the undersigned ever had or now has against the Owner and/or its lenders, or the Project.

## III. Indemnification

The undersigned hereby agrees to indemnify and hold harmless the Owner and its lenders, from any and all damages, costs, expenses, demands, and suits, (including reasonable legal fees) directly or indirectly relating to any cause of action, claim or lien filing by any party with respect to any (1) work performed in the construction of the Project or work which should have been performed in construction of the Project through the \_\_\_\_\_ of \_\_\_\_\_, 200 , (2) any rights waived or released herein, and (3) any misrepresentation or breach of any certification, affirmation or warranty made by the undersigned in this Final Affidavit, Waiver and Release of Liens and Claims, and upon the request of the Owner or its lenders, will undertake to defend such causes of action, claims or lien filings at its sole cost and expense.

This Final Affidavit, Waiver and Release of Liens and Claims shall be an independent covenant and shall operate and be effective with respect to work and labor done and materials furnished under any supplemental contract or contracts, whether oral or written for extra or additional work on the project and for any further work done or materials furnished at any time with respect to the project subsequent to the execution hereof.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Construction Manager - Full Corporate Name)

By: \_\_\_\_\_  
(Authorized Signature)

Title: \_\_\_\_\_  
(Corporate Title)

Subscribed and sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_,  
200 .

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

## SUBCONTRACTOR AFFIDAVIT AND PARTIAL RELEASE OF LIENS

**OWNER:**

**CONTRACTOR:**

**PROJECT :**

SUBCONTRACT DATE:  
PURCHASE ORDER NO.

FROM:  
STREET:  
CITY, ST.:

### **I. Certifications, Affirmations and Warranties**

The undersigned, to support its entitlement to the requested payment, and for and in consideration of payments made by ("Construction Manager") to the undersigned or to a Subcontractor, Materialman, or Supplier of the undersigned, and contingent upon the receipt of such payment, for work performed in the construction of the above-referenced Project pursuant to the above-referenced Subcontract or Purchase Order, hereby affirms, certifies and warrants as follows:

1. Payment Request No. \_\_\_\_\_ represents the actual value of work performed through the above indicated payment request period for which payment is due under the terms of the Subcontract or Purchase Order (and all authorized changes thereto) between the undersigned and Construction Manager relating to the Project, including (I) all labor expended in the construction of the Project, (ii) all materials, fixtures and equipment delivered to Project, (iii) all materials, fixtures and equipment for the Project stored offsite to the extent authorized by Construction Manager and for which payment therefore is permitted by Construction Manager's contract with the Owner and all requirements of said contract with respect to materials stored offsite have been fulfilled, (iv) all services performed in the construction of the Project, and (v) all equipment used, for provided for use, in the construction of the Project. Such work including items (I) through (v) is hereafter collectively referred to as "work performed in the construction of the Project."

2. Except for retainage, if applicable, and except for those items specifically listed on an exhibit attached hereto, if any ("Exceptions"), there are no outstanding claims against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders and guarantors, or the Project, in connection with the work performed in the construction of the Project through the \_\_\_\_\_ day of \_\_\_\_\_, 200 .

3. The undersigned has not assigned to anyone any claim, any lien, or any right to file or perfect a lien, against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project.

4. The undersigned has paid in full all laborers, and, subject to retainage and Exceptions, all Subcontractors, Suppliers, Materialmen, trade unions and others with respect to all work performed in the construction of the Project through \_\_\_\_\_ day of \_\_\_\_\_, 200 . No such party has filed or can properly file any claim, demand, lien, encumbrance or action against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project.

5. The undersigned has not given or executed any security interest for or in connection with any materials, equipment, appliances, machines, fixtures or furnishings which have been or are to be placed upon or installed in the Project, and is conveying good title to the same to Construction Manager or the Owner.

6. The undersigned has paid all amounts due benefit funds, trade unions, applicable taxes, applicable fees, duties and other like charges relating directly or indirectly to the work performed in the construction of the Project.

7. The undersigned has complied with all applicable federal, state and local laws, codes, ordinances and regulations relating to the work performed in the construction of the Project.

8. The undersigned has the right, power and authority to execute this document.

**II. Waiver and Release**

In accord with the Subcontract Agreement or the Purchase Order, as applicable, the undersigned does hereby forever waive and release in favor of Construction Manager and its sureties, the Owner of the Project and its lenders, the Project and the title company or companies examining and/or insuring title to the Project, and any and all successors and assignees of the above, all rights that presently exist or hereafter may accrue to the undersigned by reason of work performed in the construction of the Project through the \_\_\_\_\_ day of \_\_\_\_\_, 200 , (1) to assert a lien upon the land and/or improvements comprising the Project, and (2) to assert or bring any causes of action, claims, suits and demands which the undersigned ever had or now has against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project, except to the extent of retainage and Exceptions..

**III. Indemnification**

The undersigned hereby agrees to indemnify and hold harmless Construction Manager and its sureties, and the Owner of the project and its lenders, from any and all damages, costs, expenses, demands, and suits, (including reasonable legal fees) directly or indirectly relating to any cause of action, claim or lien filing by any party with respect to any (1) work performed in the construction of the Project or work which should have been performed in construction of the Project through the \_\_\_\_\_ of \_\_\_\_\_, 200 ,except to the extent of retainage and Exceptions. (2) any rights waived or released herein, and (3) any misrepresentation or breach of any certification, affirmation or warranty made by the undersigned in this Affidavit, Waiver and Release of Liens, and upon the request of Construction Manager, its sureties, the Owner of the Project or its lenders, will undertake to defend such causes of action, claims or lien filings at its sole cost and expense.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Subcontractor - Full Corporate Name)

By: \_\_\_\_\_  
(Authorized Signature)

Title: \_\_\_\_\_  
(Corporate Title)

Subscribed and sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_ ,  
200 .

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

## SUBCONTRACTOR FINAL AFFIDAVIT, WAIVER AND RELEASE OF LIENS

**OWNER:**

**CONTRACTOR:**

**PROJECT :**

SUBCONTRACT DATE:  
PURCHASE ORDER NO.

FROM:  
STREET:  
CITY, ST.:

### **I. Certifications, Affirmations and Warranties**

The undersigned, to support its entitlement to the requested payment, and for and in consideration of final payment made by (“Construction Manager”) to the undersigned or to a subcontractor, materialman, or supplier of the undersigned, and contingent upon the receipt of such payment, for work performed in the construction of the above-referenced Project pursuant to the above-referenced Subcontract or Purchase Order, hereby affirms, certifies and warrants as follows:

1. Upon receipt of the sum of \$ \_\_\_\_\_, the undersigned will have received final payment under the terms of the Subcontract or Purchase Order (and all authorized changes thereto) between the undersigned and Construction Manager relating to the Project, including (1) all labor expended in the construction of the Project, (2) all materials, fixtures and equipment delivered to the site and either incorporated or to be incorporated into the Project, (3) all materials, fixtures and equipment for the Project stored offsite to the extent authorized by Construction Manager and for which payment therefor is permitted by Construction Manager’s contract with the Owner and all requirements of said contract with respect to materials stored offsite have been fulfilled, (4) all services performed in the construction of the Project, and (5) all equipment used, or provided for use, in the construction of the Project. Such work including items (1) through (5) is hereafter collectively referred to as “work performed in the construction of the Project.”

2. Except for receipt of final payment as set forth in paragraph I, there are no outstanding claims against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project, in connection with the work performed in the construction of the Project.

3. The undersigned has not assigned to anyone any claim, any lien, or any right to file or perfect a lien, against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project.

4. The undersigned has paid in full all laborers, and, subject to retainage, all subcontractors, suppliers, materialmen, trade unions and others with respect to all work performed in the construction of the Project. No such party has filed or can properly file any claim, demand, lien, encumbrance or action against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project.

5. The undersigned has not given or executed any security interest for or in connection with any materials, equipment, appliances, machines, fixtures or furnishings which have been or are to be placed upon or installed in the Project, and is conveying good title of the same to Construction Manager or the Owner.

6. The undersigned has paid all amounts due benefit funds, trade unions, applicable taxes, applicable fees, duties and other like charges relating directly or indirectly to the work performed in the construction of the Project.

7. The undersigned has complied with all applicable federal, state and local laws, codes, ordinances and regulations relating to the work performed in the construction of the Project.

8. The undersigned has the right, power and authority to execute this document.

**II. Waiver and Release**

In accord with the Subcontract Agreement or the Purchase Order, as applicable, the undersigned does hereby forever waive and release in favor of Construction Manager and its sureties, the Owner of the Project and its lenders and guarantors, the Project and the title company or companies examining and/or insuring title to the Project, and any and all successors and assignees of the above, all rights that presently exist or hereafter may accrue to the undersigned by reason of work performed in the construction of the Project through the day of \_\_\_\_\_, 200\_\_\_\_, (1) to assert a lien upon the land and/or improvements comprising the Project, and (2) to assert or bring any causes of action, claims, suits and demands which the undersigned ever had or now has against Construction Manager and/or its sureties, the Owner of the Project and/or its lenders, or the Project.

**III. Indemnification**

The undersigned hereby agrees to indemnify and hold harmless Construction Manager and its sureties, and the Owner of the project and its lenders, from any and all damages, costs, expenses, demands, and suits, (including reasonable legal fees) directly or indirectly relating to any cause of action, claim or lien filing by any party with respect to any (1) work performed in the construction of the Project or work which should have been performed in construction of the Project through the \_\_\_\_\_ of \_\_\_\_\_, 200\_\_\_\_, (2) any rights waived or released herein, and (3) any misrepresentation or breach of any certification, affirmation or warranty made by the undersigned in this Final Affidavit, Waiver and Release of Liens and Claims, and upon the request of Construction Manager, its sureties, the Owner of the Project or its lenders, will undertake to defend such causes of action, claims or lien filings at its sole cost and expense.

This Final Affidavit, Waiver and Release of Liens and Claims shall be an independent covenant and shall operate and be effective with respect to work and labor done and materials furnished under any supplemental contract or contracts, whether oral or written for extra or additional work on the project and for any further work done or materials furnished at any time with respect to the project subsequent to the execution hereof.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Subcontractor - Full Corporate Name)

By: \_\_\_\_\_  
(Authorized Signature)

Title: \_\_\_\_\_  
(Corporate Title)

Subscribed and sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
200\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

POLICY NUMBER:

COMMERCIAL GENERAL LIABIL

CG 20 37 0

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under

the following: **COMMERCIAL GENERAL LIABILITY**

COVERAGE PART

**SCHEDULE**

**Name Of Additional Insured Person(s)  
Or Organization(s):**

**Location And Description Of Completed  
Operations**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Section II — Who Is An insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury” or “property damage” caused, in whole or in part, by “your work” at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the “products-completed operations hazard”

G 20 37 07 04

© ISO Properties, Inc.

© ISO Properties, Inc., 2004

POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY  
C****G 20 10 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under

the following: **COMMERCIAL GENERAL LIABILITY****COVERAGE PART****SCHEDULE****Name Of Additional Insured Person(s)  
Or Organization(s):****Location And Description Of Completed  
Operations**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II — Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to “bodily injury” or “property damage” occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of “your work” out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

**WC 00 03 13**

**2nd Reprint  
Advisory**

Effective April 1, 1984

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the

Schedule.

Schedule

Where required by Written Contract

---

**POLICY NUMBER:  
GENERAL LIABILITY**

**COMMERCIAL**

**CC 24 04 10 93**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF TRANSFER OF RIGHTS OF  
RECOVERY,  
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

WHERE REQUIRED BY AN INSURED CONTRACT

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

**ANNEX 2- EXHIBIT F**

**FINANCIAL INTREST ENDOURCEMENT**

---



**Steadfast Insurance Company**  
Dover, Delaware  
Administrative Offices - 1400 American Lane, Schaumburg, Illinois 60196-1056

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

| Policy No. | Eff. Date of Pol. | Exp. Date of Pol. | Eff. Date of End. | Producer Code | Add'l Prem. | Return Prem. |
|------------|-------------------|-------------------|-------------------|---------------|-------------|--------------|
|            |                   |                   |                   | N/A           | N/A         | N/A          |

**Insured:**  
**Address:**

This endorsement modifies insurance provided by the following:  
**Subguard Policy Form**

**Financial Interest Endorsement**

**Scheduled Entity(ies):**

**Contract:**  
(Give contract number  
anchor title)

**Project:**  
(Give name, location and  
description of the Works  
of the Project)

Upon legal default and termination of the **Insured** for **Insolvency** only, we will indemnify the above Scheduled Entity(ies). subject to:

1. all the terms and conditions of the Policy.
2. assignment of the **subcontracts or purchase order agreements** to the Scheduled Entity.
3. the satisfaction of all warranties, covenants and conditions of the Policy. and
4. the **Insured's** failure to make claim on the Scheduled Entity's behalf for its portion of Loss to the extent caused by a **Default of performance** by any **Subcontractor/supplier** as defined under this Policy.

A claim may only be made with respect to those **Subcontracts or purchase order agreements** awarded by the **Insured** in connection with the Project scheduled above and that are subject to this Policy. Our liability under this endorsement shall be limited to Loss the scheduled entity is contractually entitled to under the terms and conditions of its Contract(s) with the **Insured** for the Project.

We shall not be liable to the Scheduled Entity unless said Entity has made all payments as required by Contract(s) with the **Insured** and has performed all other obligations to be performed under said Contract(s) at the time and in the manner therein set forth.

For purposes of this endorsement only, any amounts paid by us under this endorsement shall be included under the definition of **Loss** .

STF – GL – 10065 – A – CW (8.06)



## **EXHIBIT F**

### **INSURANCE REQUIREMENTS**

#### **CONTRACTOR INSURANCE REQUIREMENTS**

The Contractor shall procure and maintain in effect during the term of this Agreement, insurance policies described in this Exhibit with (i) responsible insurance companies authorized to do business in Maryland (if so required by law or regulation) with (A) an A.M. Best's Key Rating Guide rating of A or better, unless otherwise approved by the Owner or (B) a Standard and Poor's or Moody's financial strength rating of A or A2, respectively, or higher, unless otherwise approved by the Owner or (ii) other companies acceptable to the Owner with limits and coverage provisions sufficient to satisfy the requirements set forth below. All policies shall be written on an occurrence basis. All insurance required by this Exhibit shall be in form, amounts and with coverage and deductibles satisfactory to Owner, in its sole discretion. The Contractor shall from time to time, but at intervals of not less than twelve (12) months each, undertake all actions and due diligence as reasonably necessary to determine whether the insurance coverage maintained pursuant to this Agreement is in compliance with all of the requirements of this Exhibit, including any increases in coverage required as a result of any change in applicable laws, and if the Contractor determines that such insurance coverage does not meet such requirements, it agrees to promptly cause such coverage to comply with such requirements and to notify the Owner of the steps being taken by the Contractor to do so.

The Owner acknowledges that as of the date of execution of the Contract, there are no Financing Parties (as defined in Section 4.3.2 below). At such time, if ever, that an entity provides financing for the Project, such entity shall become a Financing Party hereunder, and the Contractor shall add such Financing Party as an additional insured within five (5) business days after receipt of written notice from the Owner, and thereafter the Financing Party shall be entitled to all of the benefits provided to it under this Exhibit F.

**Section 1. Contractor Provided Insurance.** The Contractor shall provide the following insurance:

1.1 **Worker's Compensation and Employer's Liability Insurance** . Worker's Compensation Insurance, which shall include Stop Gap, with a minimum limit of the statutory limits for Part A and a \$100,000/\$500,000/\$1,000,000 minimum limit for employer liability.

1.2 **Commercial General Liability Insurance** . Liability insurance on an occurrence basis against claims filed in the United States and occurring in the United States for the Contractor's and each subcontractor's liability of any tier arising out of claims for bodily injury, personal injury and property damage (other than the Work itself). Such insurance shall provide coverage for products-completed operations (which coverage shall remain

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in effect for a period of at least five (5) years following Final Completion of the Work), blanket contractual, broad form property damage, personal injury insurance and independent contractors with a \$1,000,000 minimum limit per occurrence for combined bodily injury and property damage. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed.

Such policy must be further endorsed to:

- (a) Provide personal liability coverage including, but not limited to, false arrest, detention or imprisonment or malicious prosecution; libel, slander or defamation of character, invasion of privacy, wrongful eviction or wrongful entry, harassment of any kind and discrimination.
- (b) Contingent Employer's liability coverage
- (c) Blanket contractual liability coverage, including the liability assumed by the Contractor under Paragraph 3.18 of the General Conditions;
- (d) Elevator and Hoist liability coverage, as applicable.
- (e) Coverage for shoring, blasting, excavating, underpinning, demolition, pile driving and caisson work, work below ground surface, tunneling and grading, as applicable.

1.3 **Automobile Liability Insurance.** Automobile liability insurance for the Contractor's liability arising out of claims for bodily injury and property damage covering all owned (if any), leased (if any), non-owned and hired vehicles used in the performance of the Contractor's obligations under the Contract Documents with a \$1,000,000 minimum limit per accident for combined bodily injury and property damage and containing appropriate no-fault insurance provisions wherever applicable. A maximum deductible or self-insured retention of \$1,000 per occurrence shall be allowed.

1.4 **Umbrella or Excess Liability Insurance.** Umbrella or excess liability insurance on an occurrence basis covering claims in excess of the underlying insurance described in the foregoing Sections 1.1 and 1.3 with a \$25,000,000 minimum limit per occurrence, such insurance shall contain a provision that it will not be more restrictive than the primary insurance; provided that aggregate limits of liability, if any, shall apply separately to claims occurring with respect to the Work.

## **Section 2. Pollution Liability Insurance**

Contractor shall provide broad form Pollution Liability Insurance which covers losses caused by pollution conditions (including sudden and non-sudden pollution conditions) arising from the services and operations of the Contractor and all Subcontractors. Such policy (i) shall apply, without limitation, to bodily injury, property damage (including

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loss of use of damaged property or of property which has not been physically injured or destroyed) and clean-up costs, (ii) shall provide coverage for pollution conditions which arise from encountering pre-existing environmental conditions at the Project Site, (iii) shall provide coverage for liability resulting from the transportation of hazardous wastes, as well as liability relating to non-owned disposal sites, (iv) shall be written with a combined single limit of liability of not less than \$10,000,000 for each occurrence and not less than \$10,000,000 aggregate; (v) shall provide coverage for mold conditions, if such coverage is not provided by the Commercial General Liability Insurance Policies referenced above, (vi) shall contain a deductible no greater than \$250,000, and (vi) shall contain a 5 year extended reporting period.

**Section 3.        Subcontractors Insurance Requirements.**

3.1        Contractor agrees that all Subcontractors will be required to obtain and maintain the insurance required by the Contractor's Standard Subcontract. (Copy of standard requirements are attached to this Exhibit as Annex 1).

3.2        Contractor agrees that it will promptly advise Owner in the event that any subcontractor which it wishes to retain is unable to obtain such requisite insurance coverages; Contractor will obtain Owner's prior written approval of any deviations in such insurance coverages prior to entering into a subcontract with such subcontractor.

**Section 4.        Terms and Conditions.**

4.1        **Endorsements.** Each liability policy required to be maintained under Sections 1, and 2 hereunder shall be endorsed as follows:

- (a)        Name Owner and all Financing Parties, the Project Manager and each of their respective affiliates, subsidiaries, parent corporations, directors, members, partners, officers, shareholders, employees and agents as additional insureds.
  - (b)        Stipulate that such insurance is primary and is not contributing with, any other insurance carried by, or for the benefit of the additional insureds.
  - (c)        Contain cross liability and severability of interest endorsements, or a separation of insureds provision acceptable to the Owner.
  - (d)        Stipulate that such policy will not be invalidated with respect to the rights of any additional insured should the Contractor or any subcontractor, as the case may be, have waived any or all rights of recovery against any party for losses covered by such policy or due to any breach of warranty, fraud, action, inaction or misrepresentation by the Contractor or any person acting on behalf of the Contractor.
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4.2 **Waiver of Subrogation.** The Owner and the Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6 of the General Conditions, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages to the extent covered by insurance required to be obtained by the Contractor and the Owner pursuant to this Exhibit F, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6 of the General Conditions, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

4.3 **Conditions:**

- (1) **Loss Notification:** The Contractor shall promptly notify the Owner of any single loss or event likely to give rise to a claim against an insurer for an amount in excess of \$1,000,000 covered by any insurance maintained pursuant to this Agreement.
  - (2) **Policy Cancellation and Change:** All policies of insurance required to be maintained pursuant to Sections 1 or 2 shall be endorsed so that if at any time should they be canceled, or coverage be reduced (by any party including the insured) which affects the interests of the Owner or any entity providing financing for the Project (a "Financing Party") such cancellation or reduction shall not be effective as to the Owner or any Financing Party for 30 days, except for non-payment of premium which shall be for 10 days, after receipt by the Owner of written notice from such insurer of such cancellation or reduction.
  - (3) **Separation of Interests:** All policies (other than in respect to liability or workers compensation insurance) shall insure the interests of the Owner and any Financing Party regardless of any breach or violation by the Contractor or any other party of warranties, declarations or conditions contained in such policies, any action or inaction of the Contractor or others.
  - (4) **Acceptable Policy Terms and Conditions:** All policies of insurance required to be maintained pursuant to this Agreement shall contain terms and conditions acceptable to the Owner in its reasonable discretion.
- 4.4 **Evidence of Insurance.** Within thirty (30) days after execution of the Agreement, and at least 10 days prior to each policy anniversary, the Contractor shall furnish the Owner with (1) certificates of insurance or binders, in a form acceptable to the Owner, evidencing all of the insurance required by the provisions of this Agreement and (2) a
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schedule of the insurance policies held by or for the benefit of the Contractor and required to be in force by the provisions of this Agreement. Such certificates of insurance/binders shall be executed by each insurer or by an authorized representative of each insurer where it is not practical for such insurer to execute the certificate itself. Such certificates of insurance/binders shall identify underwriters, the type of insurance, the insurance limits and the policy term and shall specifically list the special provisions enumerated for such insurance required by this Agreement. Upon request, the Contractor will promptly furnish the Owner with copies of all insurance policies, binders and cover notes or other evidence of such insurance relating to the insurance required to be maintained by the Contractor. The schedule of insurance shall include the name of the insurance company, policy number, type of insurance, major limits of liability and expiration date of the insurance policies.

4.5 **Reports** . Concurrently with the furnishing of the certification referred to in Section 3.4, the Contractor shall furnish the Owner with a report of an independent broker, signed by an officer of the broker, stating that in the opinion of such broker, the insurance then carried or to be renewed is in accordance with the terms of this Agreement and attaching an updated copy of the schedule of insurance required by Section 3.4 above. In addition the Contractor will advise the Owner in writing promptly of any default in the payment of any premium and of any other act or omission on the part of the Contractor which may invalidate or render unenforceable, in whole or in part, any insurance being maintained by the Contractor pursuant to this Agreement.

4.6 **No Duty of Agent to Verify or Review** . No provision of this Agreement shall impose on the Owner or any Financing Party any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the Contractor, nor shall any of the foregoing parties be responsible for any representations or warranties made by or on behalf of the Contractor to any insurance company or underwriter. Any failure on the part of any of the foregoing parties to pursue or obtain the evidence of insurance required by this Agreement from the Contractor and/or failure of any of the foregoing parties to point out any non-compliance of such evidence of insurance shall not constitute a waiver of any of the insurance requirements in this Agreement.

4.7 **Certificates**. All certificates and policies of insurance and all notices required pursuant to this Exhibit must be sent to the attention of:

Avi Halpert  
United Therapeutics Corporation  
1110 Spring Street  
Silver Spring, Maryland 20910

4.8 **No Limitation**. The insurance provisions of this Agreement shall not be construed as a limitation on the Contractor's responsibilities and liabilities pursuant to the terms and conditions of this Agreement including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein.

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## Section 5. Subguard Insurance

If approved in writing in advance by Owner, instead of requiring Subcontractors to provide payment and performance bonds, Contractor may provide Subcontractor Default Insurance (“SDI”) (the “Subguard Insurance”) to cover its Subcontractors’ Work and performance on this Project. Construction Manager shall provide a “Financial Interest Endorsement” in the form attached to this Exhibit as Annex 2. If a Subcontractor is not eligible to be covered under the Subguard Insurance, such Subcontractor shall provide 100% performance and payment bonds. Contractor warrants and represents that no Subcontractor used to perform any part of the Work will be omitted or excluded from coverage under the Subguard Insurance (except as noted above) and that the Subguard Insurance shall apply to all Losses under that policy except as excluded by Exclusions F (nuclear radiation), G (war), and H (terrorism) thereof. (For bonded Subcontractors, the Contractor and the Owner shall be named as obligees under the bonds, and the cost of such bonds shall not increase the GMP.) The existence of the Subguard Insurance does not limit the liability of the Contractor under the Contract Documents. Contractor shall give the Owner notice of any default by a Subcontractor or Supplier in connection with this Project on which that Subcontractor or Supplier holds a contract with the Contractor, and Contractor shall keep Owner fully apprised of the amount and status of any claims made under the Subguard Insurance policy that may diminish the limits available to this Project. Premiums associated with the Subguard Insurance are included in the GMP, and any additional premium shall not be paid as a Cost of the Work, unless such additional premium amount is a direct result of a Change Order for which the Owner is responsible.

### OWNER INSURANCE REQUIREMENTS

The Owner shall provide the following insurance coverage:

**Builder’s Risk Insurance.** From commencement of construction until Substantial Completion of the Work, the Owner shall provide Builder’s Risk insurance covering property damage on an “all risk” basis insuring the Contractor, its Subcontractors and the Owner, as their interests may appear, and naming the Financing Party and the Owner as loss payees, including coverage for the perils of earth movement (including but not limited to earthquake, landslide, subsidence and volcanic eruption), wind, flood, terrorist acts, if commercially available for similar operations in the mid-Atlantic region of the United States at commercially reasonable cost and boiler and machinery accidents.

(A) Property Covered: The builder’s risk insurance shall provide coverage for (i) the buildings, all fixtures, materials, supplies, machinery and equipment of every kind to be used in, or incidental to, the construction, (ii) new underground works, sidewalks, paving, site works and excavation works and landscaping, (iii) the Work, (iv) property of others in the care, custody or control of the Contractor or of a Subcontractor, (v) all preliminary works and temporary works, (vi) foundations and other property below the surface of the ground, and (vii) electronic equipment and media.

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(B) Additional Coverages: The builder's risk policy shall insure (i) the cost of preventive measures to reduce or prevent a loss, (ii) inland transit with sub-limits sufficient to insure the largest single shipment to or from the Project site from anywhere within the United States or Canada valued at \$2,500,000 (iii) attorney's fees, engineering and other consulting costs, and permit fees directly incurred in order to repair or replace damaged insured property, iv) expediting expenses, (v) off-site storage with sub-limits sufficient to insure the full replacement value of any property or equipment not stored on the Project site, (vi) the removal of debris, and (vii) demolition and increased costs of construction due to the operation of building laws or ordinances in an amount not less than \$5,000,000.

(C) Special Clauses: The builder's risk policy shall include (i) a 72 hour flood/storm/earthquake clause, (ii) an unintentional errors and omissions clause, (iii) a requirement that the insurer pay losses within 30 days after receipt of an acceptable proof of loss or partial proof of loss, (iv) an other insurance clause making this insurance primary over any other insurance and (v) a clause stating that the policy shall not be subject to cancellation by the insurer except for non-payment of premium, fraud or material misrepresentation.

(D) Prohibited Exclusions: The builder's risk policy shall not contain any (i) coinsurance provisions, or (ii) exclusion for loss or damage resulting from freezing or mechanical breakdown.

(E) Sum Insured: The builder's risk policy shall (i) be on a completed value form, with no periodic reporting requirements, (ii) insure 100% of the replacement value of the Improvements (except with respect to flood and earthquake, in each case, the policy shall be in an amount not less than \$10,000,000), and (iii) value losses at replacement cost, without deduction for physical depreciation or obsolescence including custom duties, taxes and fees (if rebuilt or repaired).

(F) Deductible: The builder's risk insurance shall have no deductible greater than \$50,000 per occurrence for all coverage. The Owner will be responsible for paying the deductible to the extent it exceeds \$10,000; all deductibles paid by the Contractor shall be reimbursed as Cost of the Work as defined in the Agreement.

(G) Payment of Loss Proceeds: The Builder's Risk policy shall provide that the proceeds of such policy shall be payable solely to the Owner and/or the Financing Party.

(H) Loss Adjustment and Settlement: A loss under the Builder's Risk policy shall be adjusted with the insurance companies, including the filing in a timely manner of appropriate proceedings, by the Owner, subject to the reasonable approval of the Contractor

(I) Miscellaneous Policy Provisions: The Builder's Risk policy shall (i) not include any annual or term aggregate limits of liability except as regards the insurance applicable to the perils of flood and earth movement and pollutant clean up of land and

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water at the Land (project site), (ii) shall not include coverage for mold conditions, and (iii) include a clause requiring the insurer to make final payment on any claim within 30 days after the submission of proof of loss and its acceptance by the insurer.

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ANNEX 1-Exhibit F

ATTACHMENT A  
INSURANCE REQUIREMENTS  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
(**{ToCompany.Name}**“>”)  
SUBCONTRACT NUMBER **{Contracts.ContractNumber}**

**{Projects.Name}**  
**{Projects.Address}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

Immediately send a copy of this information to your insurance broker for compliance.

- 1.0 Subcontractor shall, at its own expense, maintain in effect at all times during the performance of the work under the Subcontract not less than the following coverage and limits of insurance which shall be maintained under forms of policies and from companies satisfactory to the Contractor and Owner. Any insurance policy that contains Deductibles or Self Insured Retentions (SIR) in excess of \$25,000 per occurrence shall not be acceptable without the prior approval of DPR Construction. The insurance company must have a financial rating of at least A-VII as defined by A.M. Best Company. Copies of policies shall be provided when requested.
- 2.0 Workers’ Compensation and Employer’s Liability Insurance. Workers’ Compensation insurance shall be provided as required by any applicable law or regulation. A waiver of subrogation is required. See sample of waiver attached. Employer’s Liability Insurance shall be provided in amounts not less than:

\$1,000,000 each accident for bodily injury by accident  
\$1,000,000 policy limit for bodily injury by disease  
\$1,000,000 each employee for bodily injury by disease

If there is an exposure of injury to Subcontractor’s employees under the U. S. Longshoremen’s and Harbor Workers’ Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

- 3.0 General Liability Insurance. Subcontractor shall carry Commercial General Liability insurance covering operations by or on behalf of Subcontractor, providing insurance for bodily injury liability and property damage liability for at least the minimum limits of liability indicated below and including coverage for:
- (1) premises and operations;
  - (2) products and completed operations;
  - (3) broad-form contractual liability;
  - (4) broad-form property damage (including completed operations);
  - (5) explosion, collapse and underground hazards;
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(6) personal injury liability/advertising injury;

3.1 A waiver of subrogation is required. See sample of waiver attached.

3.2 A “claims-made” policy form is not acceptable.

3.3 A “modified occurrence” policy is not acceptable.

3.4 Minimum Limits of Liability .

3.4.1 Commercial General Liability Form:

\$2,000,000 each occurrence Bodily Injury and Property Damage

\$2,000,000 Personal Injury

\$2,000,000 aggregate for Products - Completed operations

\$2,000,000 general aggregate

3.5 Per Project Aggregate. The policy must have an endorsement providing that the general aggregate limit applies separately to this project. If a per-project aggregate is not provided, the total limit of liability (per occurrence) shall be \$5,000,000. The above limits can be satisfied by either providing a primary policy or in combination with an excess liability policy.

4.0 Automobile Liability Insurance. Subcontractor shall carry automobile liability insurance, including coverage for all owned, hired and non-owned automobiles. The limits of liability shall be not less than \$2,000,000 combined single limit each accident for bodily injury and property damage. This limit can be satisfied by either providing a primary policy or in combination with an excess liability policy.

5.0 Certificates of Insurance. Certificates of Insurance, as evidence of all insurance required by this Agreement, shall be furnished by Subcontractor to Contractor before any work hereunder is commenced by Subcontractor. The Certificates of Insurance shall provide that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to Contractor. The words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be crossed out on the certificate.

5.1 Certificates, including additional insured endorsement, shall be furnished for five (5) years following completion of the project.

6.0 Additional Insured Endorsement and Primary Insurance Clause. The Bodily Injury and Property Damage Liability policies shall include a provision or endorsement, at least as broad as the CG2010 07 04, in combination with the CG2037 07 04, as published by Insurance Services Offices (ISO), naming as additional insured any person or organization for whom Subcontractor is required by written subcontract agreement or permit to name. The endorsement shall also provide that such insurance is primary insurance with respect to the interest of the Contractor and Owner and that any other insurance maintained by the Contractor and Owner is excess and not contributing insurance with the insurance requirement hereunder.

Samples of Policy Endorsements are attached hereto.

7.0 Insurance Requirements for Sub-subcontractors. The Subcontractor shall ensure that all tiers of their Subcontractors shall procure and maintain insurance in like form and amounts including the Additional Insured requirements, all as set forth in Paragraph 3.0. Copies of the certificate must be provided prior to the sub-subcontractors entering the site.

- 8.0 Aircraft Insurance. If the Subcontractor or their Subcontractors use any owned, leased, chartered or hired aircraft of any type (including helicopters) in the performance of this Subcontract, they shall maintain aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence including Passenger Liability. Evidence of coverage in the form of a Certificate of Insurance shall be provided prior to the start of work.
- 9.0 Professional Liability Exposures. A \$2,000,000 Professional Liability insurance policy shall be carried if Subcontractor or their subcontractor is to provide any professional services, including but not limited to, design or design/build services to the project. Evidence of coverage in the form of a Certificate of Insurance shall be provided prior to the start of work.

Hazardous Materials/Pollution Liability/Mold Coverage.

- 9.1 Subcontractor shall provide a "Contractors Pollution Liability" policy with minimum limits of \$2,000,000, with continuing coverage after project completion in accordance with subsection 5.1.
- 9.2 Mold Coverage. Subcontractor's Pollution liability policy to include coverage for mold or fungus with limits of \$2,000,000 if any of Subcontractor's Work includes or directly or indirectly impacts any of the work scopes as defined in this subsection 10.2.
- 9.2.1 All work which could in any way contribute to or cause moisture to be introduced into the interior of the building, either by construction, sealing or penetrating any portion of the building's exterior envelope or releasing moisture within the building, are required to have the above coverage for mold insurance. These include but not limited to the following:
- 9.2.1.1 Exterior Envelopes (envelope areas are defined as including all above and below ground exteriors of the building or facility, be they vertical, horizontal or angled surfaces) related work may include but not limited to scopes such as masonry, cast-in-place concrete (including slab on grade, elevator or other pits or shafts), pre-cast concrete, gunite, shotcrete, plaster, drywall (exterior gypsum sheathing and building paper), marble or stone facades, EIFS, metal panel, glass & glazing, exterior insulating, roofing, skylights, louvers, exterior doors (all types), sheet metal and flashing, expansion joints, any form of waterproofing and or damproofing, caulking and sealants, etc.
- 9.2.1.2 All systems which directly or indirectly involve water retention, generation or conveying work within or in close proximity to the building such as plumbing, HVAC, fire sprinkler and process piping and the controls of their wet systems, below slab mechanical, sump pits, tanks, site utilities and/or irrigation systems (near, attaching to or penetrating the building), etc.
- 9.2.1.3 All scopes that may penetrate or seal penetrations of the exterior envelopes such as equipment roof supports, satellite dishes, photovoltaic panels, handrails, trellises, miscellaneous or ornamental metal, signage and subcontractors who seal their own exterior penetrations.
- 9.3 Hazardous Materials Remediation. In addition, if Subcontractor's Work includes remediating of hazardous materials, including but not limited to asbestos



containing materials, silica, lead, PCBs, contaminated soils, etc., they must carry a "Contractor's Pollution Liability" policy which covers liability therefor, with limits not less than \$2,000,000 and not less than \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, naming Contractor as additional Insured. Subcontractor shall also require any of its subcontractors performing such operations to provide the insurance required hereunder.

- 9.4 Automobile Pollution Liability. If Subcontractor or their subcontractors haul hazardous waste they must carry Automobile Liability Insurance with a \$2,000,000 combined single limit for Bodily Injury and Property Damage applicable to all hazardous waste hauling vehicles and include MCS 90 coverage.

- 10.0 Builders Risk Insurance. Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

Upon written request of Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment insurance in force for the project and procured by Contractor. Subcontractor shall satisfy itself as to the existence and extent of such insurance prior to commencement of Subcontractor's work.

If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to Subcontractor's work and/or damage to other work caused by Subcontractor.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Subcontract Documents, Subcontractor shall procure and maintain at its own expense property and equipment insurance for portions of Subcontractor's work stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor may procure such insurance at its own expense as will protect the interests of Subcontractor and its subcontractors in the work. Such insurance shall also apply to any of Owner's or Contractor's property in the care, custody or control of Subcontractor.

- 11.0 Crane Services/Hoisting, Lifting, Riggers Liability

- 11.1 Crane Services Liability. Should Subcontractor's work include providing of Crane Services, either by directly or by contract with a subcontractor, then, then the Subcontractor shall carry "Commercial General Liability Insurance", with minimum limits of liability of \$10,000,000 Per Occurrence to insure against bodily injury and property damage for such operations. Insurance coverage shall be subject to the same requirements pursuant to Sections 3.0 through 3.3. Subcontractor shall be responsible for ensuring that sub tier contractor(s) will also comply with these same insurance requirements for Crane Services. Evidence of coverage shall be provided in the form of a Certificate of Insurance pursuant to Section 5.0. Subcontractor's retention under such policy shall not be more than \$100,000 without the express written authorization of Contractor.

- 11.2 Hoisting, Lifting, Riggers Liability. Should Subcontractor's work involve the rigging, hoisting, lifting of property, Subcontractor shall carry "Riggers Liability Insurance (for hoisting, lifting, etc.), with minimum limits of liability of \$1,000,000. to insure against physical loss or damage to the property being lifted. Evidence of coverage shall be provided in the form of a Certificate of Insurance pursuant to Section 5.0. Subcontractor's retention under such policy shall not be more than \$100,000 without the express written authorization of Contractor.
- 12.0 Acceptance by Contractor. The required insurance shall be subject to the approval of Contractor. Any acceptance of Certificates of Insurance by Contractor, or failure of Subcontractor to provide Certificates of Insurance, shall in no way limit or relieve Subcontractor of its duties and responsibilities in this Agreement. If higher limits or other forms of insurance are required in the Subcontract Documents, Subcontractor will comply with such requirements.
- 13.0 Excess Liability. The above limits can be met by either providing a primary policy or in combination with an excess liability policy.

## EXHIBIT G

### Other Requirements (RTP and Regulations)

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Exhibit G – Other Requirements (RTP Rules and Regulations)

1. ATC Associates, Inc. - Phase I and II Limited Environmental Site Assessment dated May 16, 2006
  2. ATC Associates, Inc. – Subsurface Exploration & Geotechnical Analysis dated July 11, 2006
  3. MACTEC Jurisdictional Wetlands & Stream Delineation report dated August 17, 2006
  4. MACTEC Jurisdictional Determination letter dated August 17 to County of Durham
  5. Environmental Services, Inc. report titled: United Therapeutics RTP Site Surface Water Evaluation dated July 2006 prepared for The Durham County Engineering Department
  6. Chicago Title Insurance Company Policy No. 34-106-06-0013606 dated June 23, 2006 and supporting exhibits
  7. Research Triangle Foundation of North Carolina – Amended Conditions, Covenants, Restrictions and Reservations Affecting Property of: The Research Triangle Foundation of North Carolina dated July 29, 1980
  8. Durham City zoning letter dated April 4, 2006 and supporting exhibits
  9. Kimley-Horn & Associates Traffic Impact Analysis dated June 2006.
  10. Durham Unified Development Ordinance located at: [www.durhamnc.gov/departments/planning/udo](http://www.durhamnc.gov/departments/planning/udo)
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**EXHIBIT H**

**Form of Subcontract and Purchase Order**

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**Exhibit "H"**  
**DPR SUBCONTRACT**  
 North Carolina

{Projects.Name}

|                  |                            |                                         |                                                                                       |
|------------------|----------------------------|-----------------------------------------|---------------------------------------------------------------------------------------|
| DPR Job No.:     | {Projects.Number}          | DESIGN/BUILD SUBCONTRACT                | BONDS REQUIRED                                                                        |
| Subcontract No.: | {Contracts.ContractNumber} | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/><br>({Contracts.Udf_Bond_is_Required}<br>"Yes/No") |
| Phase Code(s):   | {Contracts.Exhibits}       |                                         |                                                                                       |

This Subcontract ("Agreement") is made as of {Contracts.ContractDate}, ("Effective Date"), between DPR Construction, Inc., a California corporation ("DPR"), and Subcontractor, in connection with the Prime Contract for the Project.

**CONTRACTOR**

DPR Construction, Inc., {Contracts.Udf\_DPR\_Region} Regional Office  
 {Contracts.Udf\_Region\_Address}

**SUBCONTRACTOR**

{ToCompany.Name}  
 {ToContact.DisplayAddress}  
 Phone: {ToContact.Tel}, Fax: {ToContact.Fax}  
 Vendor No.: {ToCompany.CompanyID}

**OWNER**

{LegalDocInfo.Owner}  
 {LegalDocInfo.OwnerAddr1}  
 {LegalDocInfo.OwnerAddr2}

**PROJECT**

{Projects.Name}  
 {Projects.Address}

**ARCHITECT**

{LegalDocInfo.ArchName}  
 {LegalDocInfo.ArchAddr1}  
 {LegalDocInfo.ArchAddr2}

**THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH AN ATTORNEY IS  
 ENCOURAGED WITH RESPECT TO ITS USE OR MODIFICATION. SOME CONSTRUCTION PRIME CONTRACTS MAY  
 REQUIRE THE USE OF SPECIALIZED PROVISIONS NOT INCLUDED IN THIS FORM.**

{ToCompany.Name}  
 Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
 North Carolina Subcontract

**TABLE OF CONTENTS**

|            |                                                              |    |
|------------|--------------------------------------------------------------|----|
| SECTION 1  | ENTIRE AGREEMENT; INVESTIGATION; PRIME CONTRACT; DEFINITIONS | 3  |
| SECTION 2  | SCOPE OF WORK                                                | 4  |
| SECTION 3  | SUBCONTRACT PRICE                                            | 4  |
| SECTION 4  | PAYMENTS                                                     | 5  |
| SECTION 5  | TIME                                                         | 6  |
| SECTION 6  | CHANGES IN THE WORK                                          | 7  |
| SECTION 7  | DAMAGES CAUSED BY DELAYS                                     | 9  |
| SECTION 8  | BONDING OF SUBCONTRACTOR                                     | 9  |
| SECTION 9  | LIENS                                                        | 9  |
| SECTION 10 | PROVISIONS FOR INSPECTION                                    | 10 |
| SECTION 11 | MATERIALS AND WORK FURNISHED BY OTHERS                       | 10 |
| SECTION 12 | PROTECTION OF WORK                                           | 10 |
| SECTION 13 | LABOR RELATIONS                                              | 10 |
| SECTION 14 | RECOURSE BY DPR                                              | 11 |
| SECTION 15 | INDEMNIFICATION                                              | 13 |
| SECTION 16 | INSURANCE                                                    | 14 |
| SECTION 17 | DISPUTE RESOLUTION PROCEDURES                                | 14 |
| SECTION 18 | COMPLIANCE WITH LAWS; SAFETY PRACTICES                       | 16 |
| SECTION 19 | WARRANTY                                                     | 16 |
| SECTION 20 | USE OF DPR'S EQUIPMENT                                       | 16 |
| SECTION 21 | ASSIGNMENT OF CONTRACT                                       | 16 |
| SECTION 22 | INDEPENDENT CONTRACTOR                                       | 17 |
| SECTION 23 | CLEAN-UP                                                     | 17 |
| SECTION 24 | ATTORNEYS' FEES                                              | 18 |
| SECTION 25 | NOTICES                                                      | 18 |
| SECTION 26 | GOVERNING LAW                                                | 18 |
| SECTION 27 | DELIVERABLES AND CLOSE-OUT DOCUMENTATION                     | 18 |
| SECTION 28 | SEVERALITY                                                   | 18 |

**Attachment Summary – See Attachment # 1**

|               |                                                |
|---------------|------------------------------------------------|
| Attachment 1  | List of Subcontract Documents                  |
| Attachment 1A | List of the Subcontract Construction Documents |
| Attachment 2  | Scope and Commercial Terms                     |
| Attachment 2A | Design/Build Supplement                        |
| Attachment 3  | Special Conditions                             |

Attachment 4                    Schedule  
Attachment 5                    Environmental, Health and Safety Plan, Rev 6, dated January 2005  
Attachment A                    Insurance Requirements  
Attachment B                    Billing Package  
Additional Insureds for the Insurance Requirements

{ToCompany.Name}  
Initials    \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract



**SECTION 1 ENTIRE AGREEMENT; INVESTIGATION; PRIME CONTRACT; DEFINITIONS**

- 1.1 Entire Agreement: This Agreement is the entire agreement between DPR and Subcontractor with respect to the Work and the Project, and supersedes all proposals, negotiations, stipulations, understandings, agreements, representations and warranties, if any, between DPR and Subcontractor with respect to the Work and the Project which precede or accompany the execution of this Agreement.
- 1.2 Applicability of Contract Documents to Subcontractor: Subcontractor and its subcontractors and suppliers shall be bound by the terms of the Contract Documents, including without limitation the Prime Contract, insofar as they relate in any way to the Work of this Agreement. Subcontractor further agrees to be bound to DPR in the same manner and to the same extent as DPR is or will be bound to Owner under the terms of the Prime Contract, to the extent the terms relate in any way, to the Work or Subcontractor's obligations under this Agreement.
- 1.3 Investigation by Subcontractor: Subcontractor represents and warrants that it has carefully reviewed, and is thoroughly familiar with, all of the terms of the Subcontract Documents, the plans and specifications as they pertain to the Work, the location of the Project site, and the conditions under which the Work is to be performed by Subcontractor. Subcontractor enters into this Agreement based upon its investigation of all relevant matters, including without limitation, investigations, testing, and observations of any existing conditions related to or affecting the Work. Subcontractor is not relying on any opinions or representations of DPR or any person purporting to act on DPR's behalf. If Subcontractor discovers any apparent or actual error, omission, code compliance issue, or deficiency in such documents, location, or conditions (any of the foregoing, a "Deficiency"), Subcontractor shall, on or before the earlier of (a) five (5) Days after Subcontractor first becomes aware of a Deficiency, or (b) two (2) Business Days prior to the last day upon which DPR must report a Deficiency under the Prime Contract, notify DPR in writing of the existence or possible existence of each Deficiency in detail and take any other actions otherwise required of DPR under the Prime Contract. If Subcontractor believes that additional cost or time is involved because of modifications to the Work as a result of one or more Deficiencies as to which Subcontractor has given notice to DPR pursuant to this Section 1.3, then, subject to the provisions of the Prime Contract, Subcontractor may request a Change Order pursuant to Section 6. If DPR has any obligation under the Prime Contract regarding any investigation, testing or inspection of the site and the conditions under which the Work is to be performed, Subcontractor assumes those obligations and shall be solely responsible for all costs, expenses and damages that may result from Subcontractor's failure to perform or properly perform such investigation, testing or inspection.
- 1.4 Prime Contract
- 1.4.1 Prime Contract Not Yet Executed: If, as of the execution of this Agreement, the Prime Contract has not been executed by DPR and Owner, the terms and conditions of the Prime Contract, as they relate in any way to the Work, shall nonetheless be incorporated within this Agreement as a Subcontract Document upon its execution. Upon execution of the Prime Contract and written request by Subcontractor, DPR shall make the Prime Contract available to Subcontractor. If the Subcontractor believes that the Prime Contract, as executed, affects the cost or time of Subcontractor's performance of the Work, then Subcontractor may request a Change Order in accordance with Section 6 below.
- 1.4.2 Prime Contract Executed: By executing this Agreement or commencement of the Work, Subcontractor represents and acknowledges that Subcontractor has reviewed or has been given ample opportunity to review the Prime Contract and the terms of the Prime Contract have no affect on the cost or time of Subcontractor's performance of the Work.
- 1.5 Definitions: In this Agreement, the following definitions apply.
- 1.5.1 Business Day: "Business Day" means all calendar days except weekends and federal holidays.
- 1.5.2 Contract Documents: "Contract Documents" means all of the documents included or referenced as part of the Prime Contract between DPR and Owner for work at the Project.
- 1.5.3 Day: "Day" means calendar day.
- 1.5.4 Effective Date: "Effective Date" means the date first shown in this Agreement.

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

- 1.5.5 **Prime Contract:** “Prime Contract” means that certain contract between DPR and Owner for work at the Project, including all documents included or incorporated therein.
- 1.5.6 **Project Schedule:** “Project Schedule” means DPR’s schedule for the Project at the effective date of the Agreement, as reflected on Attachment 4 to this Agreement.
- 1.5.7 **Subcontract Documents:** “Subcontract Documents” means this Agreement and the documents identified on Attachment 1 to this Agreement, all of which are incorporated by this reference within this Agreement.
- 1.5.8 **Work:** “Work” refers to work to be performed by Subcontractor under this Agreement in accordance with Section 2, and subject to such changes as may be made pursuant to Section 6 below.

## SECTION 2 SCOPE OF WORK

- 2.1 Subcontractor agrees to furnish all labor, materials, equipment and other facilities required to timely and properly perform the Work, which is generally described as: {Contracts.ScopeOfWork} and more particularly described in Attachment 2, subject to such changes as may be made pursuant to Section 6 below. The Work shall be performed in accordance with the Subcontract Documents.
- 2.2 It is understood that drawings and specifications indicate the general scope of the project and, as such, the drawings and specifications do not necessarily indicate or describe all work required for the full performance and completion of work. This Subcontract is executed and awarded on the basis of such documents with the understanding that the Subcontractor is to furnish and install all items reasonably inferable as required for the proper completion of the Work without adjustment to the Subcontract Price. In the event of a dispute between DPR and Subcontractor over the scope of the Work under the Subcontract Documents, Subcontractor shall not cease performing the Work but will continue to perform the Work diligently to completion as directed by DPR, with any dispute to be resolved in accordance with Section 17 below.

## SECTION 3 SUBCONTRACT PRICE

- 3.1 DPR agrees to pay to Subcontractor for the performance of the Work in strict compliance with the Subcontract Documents the Subcontract Price in accordance with the terms indicated by the checked box below:

- 3.2 Compensation Basis:

{Contracts.Udf\_Lump\_Sum}

**Lump Sum:**

DPR shall pay the total of ({Contracts.Udf\_LS\_Contract\_Amount}”NumToText”) Dollars (({Contracts.Udf\_LS\_Contract\_Amount} “Currency”)).

{Contracts.Udf\_Not\_To\_Exceed}

**Cost-Reimbursable, Not-to-Exceed (NTE):**

DPR shall pay the total of Subcontractor’s Cost of Work in accordance with Section 4.4, plus a Fee of {Contracts.Udf\_NTE\_Percent} covering Subcontractor’s overhead and profit, not to exceed ({Contracts.Udf\_NTE\_Contract\_Amount}”NumToText”) Dollars (({Contracts.Udf\_NTE\_Contract\_Amount}”Currency”)) (the “NTE Amount”). The NTE Amount is not guaranteed by Subcontractor. Subcontractor shall notify DPR when 75% of the NTE Amount has been incurred.

{Contracts.Udf\_Not\_To\_Exceed}

**Cost-Reimbursable with a Guaranteed Maximum Price (GMP):**

DPR shall pay the total of Subcontractor’s Cost of Work in accordance with Section 4.4, plus a Fee of {Contracts.Udf\_GMP\_Percent} covering Subcontractor’s overhead and profit, the sum of which is guaranteed by Subcontractor not to exceed the GMP ({Contracts.Udf\_GMP\_Cont\_Amount}”NumToText”) Dollars (({Contracts.Udf\_GMP\_Cont\_Amount}”Currency”)).

{ToCompany.Name}

Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}

North Carolina Subcontract

- 3.3 The Subcontract Price is payable in accordance with the payment schedule set forth in Section 4 below and is subject to additions or deductions for changes in the Work as may be directed in writing by DPR under Section 6 below.

## SECTION 4 PAYMENTS

- 4.1 Timing: Subject to the terms and provisions of Section 4.5, DPR agrees to pay to Subcontractor monthly progress payments for work actually completed by Subcontractor under this Agreement, less retention, to the extent DPR receives funds from Owner for Work performed by Subcontractor as reflected in DPR's applications for payment. The retention shall be Ten Percent (10%), or as required under the Prime Contract. The monthly progress payments shall be made within the last to occur of: a) Seven (7) Days after DPR receives payment from Owner or b) a reasonable time after the receipt by DPR of all information required of Subcontractor under Section 4.2 below. The final payment to Subcontractor, including any retention, shall be made pursuant to the terms of the Prime Contract, or in the absence of an applicable provision under the Prime Contract, within Seven (7) Days after the Work has been fully completed and has been delivered to and accepted by Owner, Architect, and DPR, to the extent DPR receives funds from Owner in final payment for work performed under the Prime Contract. Subcontractor's right to receive compensation under this Agreement is not conditioned upon Owner's payment to DPR under the Prime Contract. If Owner or other responsible party delays making any payment to DPR from which payment to Subcontractor is to be made, and provided that such delay is not due to the fault of Subcontractor, DPR and its sureties shall have a reasonable time to make payment to Subcontractor. A "reasonable time," as used herein, shall be determined according to the relevant circumstances, but in no event shall it be less than the time required for DPR, DPR's sureties, and Subcontractor to fully pursue their legal remedies to conclusion against Owner or any other responsible parties to obtain payment, including, without limitation, mechanic's lien remedies. Any payment made prior to completion and acceptance of the Work, as referred to above, shall not be construed as evidence of acceptance of any part of the Work.
- 4.2 Payment Applications: As a condition precedent to DPR's obligation to make any payment to Subcontractor under this Section 4.2, Subcontractor shall furnish to DPR: a) a written request for payment in the form and content required by DPR; and b) if and when required by DPR, payroll affidavits, receipts, vouchers, applicable releases for claims by Subcontractor, or materialmen, suppliers, union trustees and trust funds, and subcontractors hired by Subcontractor in the forms set forth in Attachment B, stop notice releases, and any other information or documents reasonably requested by DPR or required to be provided to Owner under the Prime Contract. The format and content of all submissions to DPR under this Section 4.2 shall be satisfactory to DPR. The Subcontractor may be required to code all payment requests and invoices and organize its schedule of values as may be directed by DPR prior to their submittal for payment. Subcontractor shall submit a proposed schedule of values to DPR for review prior to submittal of its first Application for Payment hereunder. Payment for all materials stored offsite is solely at the discretion of DPR.
- 4.3 Joint Checks: DPR, at its option, and for good cause including but not limited to Subcontractor's past or present failure to make timely payments to sub-subcontractors, materialmen or suppliers, may make any payment due under this Section 4.3 by check made payable jointly to Subcontractor and any sub-subcontractors, materialmen, and suppliers hired by Subcontractor who have performed work or furnished materials under this Agreement.
- 4.4 Cost-Reimbursable Payments: To the extent that Subcontractor is entitled to reimbursement of any costs incurred in the performance of the Work ("Reimbursable Costs"), including without limitation Work performed for a Subcontract Price based on costs incurred plus a fee (whether or not subject to a not-to-exceed amount), or any claim for additional compensation pursuant to Section 6 below, payment of such Reimbursable Costs shall be made in accordance with Attachment C, or in the absence of an Attachment C to the Agreement, in accordance with the cost reimbursement terms of the Prime Contract. Subcontractor shall maintain, in a manner and quality satisfactory to DPR and Owner, accounting records for Reimbursable Costs including, without limitation, supplier and subcontractor invoices, material receiving reports, purchase orders, payrolls and other such documentation necessary to fully substantiate each reimbursement request. Those records shall be subject to audit by DPR, Owner, or the designated representative of either, without prior notification to Subcontractor, for a period of five (5) years following completion of the Work, or longer if required by the Prime Contract.

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

- 4.5 Insurance and Bond Requirements: Subcontractor shall not commence work on the project site and no payments shall be due or payable to Subcontractor, and no payments will be made to Subcontractor under this Agreement unless and until Subcontractor satisfies all of Subcontractor's obligations to provide insurance and performance and payment bonds pursuant to the terms of this Agreement and the Subcontract Documents.

## SECTION 5 TIME

- 5.1 Project Schedule; Coordination: Time is of the essence in the performance of Subcontractor's obligations under this Agreement. Prior to performing any Work, Subcontractor shall provide DPR with scheduling information and a proposed schedule for performance of the Work, which shall include a projection of man-hours and crew sizes, all in forms acceptable to DPR. Subcontractor's proposed schedule shall conform to the Project Schedule and all revisions or changes made to it from time-to-time. When directed by DPR, Subcontractor shall revise and update Subcontractor's activities reflected in DPR's then current schedule. The Project Schedule is not a representation by DPR that Subcontractor will be able to perform its activities on certain dates. Subcontractor shall perform the Work in a prompt and diligent manner in accordance with DPR's schedule, as updated from time to time, without delaying or hindering DPR's work or the work of other contractors or subcontractors. Subcontractor shall coordinate the Work with that of DPR and all other contractors and subcontractors, in a manner that will facilitate the efficient completion of the entire Project. DPR shall have complete control of the premises on which the Work is to be performed and all matters relating to the timely and orderly completion of the Work. DPR shall have the right to decide the relative priority of the Work compared to the work of other subcontractors on the Project and the time and order in which various portions of the Work shall be performed by Subcontractor. Subcontractor must attend all coordination and other required meetings as DPR may schedule from time to time. If Subcontractor fails to maintain progress in accordance with the current schedule, it shall, without additional compensation, accelerate the Work as DPR may direct until the Work is in accordance with such schedule.
- 5.2 Delays and Time Extensions: The time fixed for the completion of the Work under this Section 5.2 shall only be extended by the number of Days Subcontractor has been delayed, through no fault of Subcontractor, in its performance or completion of the Work by one or more of the following events: a) the act, neglect or default of Owner, Architect, or DPR; b) delays directly resulting from any fire or other casualty for which Subcontractor is not responsible; c) the combined action of the workmen, in no way caused by or resulting from the fault or collusion on the part of Subcontractor; d) a lock-out by DPR; or e) other causes which DPR determines may justify delay; provided, however, no extension shall be made unless Subcontractor presents to DPR a written claim for an extension within 48 hours of the commencement of a delay, and under no circumstances shall the time of completion be extended to a date which will prevent DPR from completing the entire Project within the time allowed DPR by Owner for that completion. Any such time extension shall be limited to the Days that Subcontractor's overall duration of performance is extended by the foregoing events.
- 5.3 Damages for Delays: If Subcontractor has incurred delay damages as a result of delays caused by events under Section 5.2, it may request a Change Order pursuant to Section 6. Notwithstanding anything to the contrary in this Agreement, Subcontractor's rights to receive additional compensation under this Section 5.3 shall be subject to any applicable provisions of the Prime Contract, and any additional compensation allowed shall be payable in accordance with the above Section 4.4 and the Prime Contract. Subcontractor shall not be entitled to compensation for delay damages to the extent that delays caused by the events in Section 5.2 are concurrent with delays caused by Subcontractor or someone for whom Subcontractor is responsible. If delays caused by the events described in Section 5.2 are caused by any reason other than the acts of DPR that interfere with Subcontractor's performance of the Work, Subcontractor shall only be entitled to additional compensation if DPR receives compensation from the Owner for delays sustained by Subcontractor, and only in the amount of the compensation received by DPR from the Owner, less any mark-up included by DPR in the claim for additional compensation made on behalf of the Subcontractor to the Owner.

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

**SECTION 6 CHANGES IN THE WORK**

- 6.1 Changes : Subcontractor shall make any and all changes in the work described in the Subcontract Documents and this Agreement as directed by DPR in writing. Such change or written direction shall not invalidate this Agreement. If necessary, the Subcontract Price and the time for Subcontractor's performance shall be adjusted by Change Order, documenting mutually agreed additions or deductions. Subcontractor shall supply DPR with all documentation necessary to substantiate the amount of the addition to or deduction from the price or time. If DPR and Subcontractor cannot agree on the amount of the addition or deletion, Subcontractor shall nonetheless timely perform the work as changed by DPR's written direction. Once Subcontractor receives DPR's written direction, Subcontractor is solely responsible for timely performance of the work as changed by the written direction. The foregoing notwithstanding, if the change is directed by the Owner, the adjustment in the Subcontract Price shall be limited to the amount approved by the Owner for such change attributed to the Work to be added to or deleted from the Work performed by Subcontractor under this Subcontract.
- 6.2 Written Authorization Required: Subcontractor shall not make any changes in the Work or in any way cause or allow that work to deviate from the Subcontract Documents without written direction from DPR. If Subcontractor makes any changes in the Work without written direction from DPR, such change constitutes an agreement by Subcontractor that it has waived its right to claim for compensation for such change, and that it will not be paid for that changed work, even if it received verbal direction from DPR or any form of direction, written or otherwise, from Owner or any other person or entity. In addition, Subcontractor shall be liable for any and all losses, costs, expenses, damages, and liability of any nature whatsoever associated with or in any way arising out of any such change made by Subcontractor without written direction from DPR.
- 6.3 Change Quotation Pricing: Subcontractor shall submit change quotation pricing in the form and format required by DPR, and using labor, tool and equipment rates and/or unit prices detailed in 1) Attachment 2; or 2) in the absence of such rates in Attachment 2, as detailed in the Bid Form submitted by Subcontractor and accepted by DPR; or 3) in the absence of any such rates in any Subcontract Documents, by other agreement of DPR and Subcontractor. Subcontractor's markups on direct costs in change quotations shall be limited to the rates defined in Attachment 2. If the Prime Contract sets forth rates, unit prices and/or mark-ups to be applied to the changes affecting a subcontractor, Subcontractor shall utilize such rates, prices and mark-ups in submitting a change quotation price.
- 6.4 Direct Costs; Overhead: Direct Costs shall mean craft labor, materials, equipment, subcontracted work and other direct costs incurred in direct performance of the changed work. Overhead shall include all indirect costs, including, but not limited to, detailing, engineering, purchasing, shop burden, tools, equipment, trucks, trucking costs, non-productive labor, and Project Management costs (onsite and offsite). No multipliers for any soft costs shall be allowed in calculation of the direct costs of, or rates for, the work. All supervision (e.g., General Foreman, Superintendent, Project Manager, etc.) above the level of working foreman will be included in the Subcontractor's markups for Overhead and Profit.
- 6.5 Time and Materials Changes :
- 6.5.1 For any work performed on a Time and Materials basis, Subcontractor shall submit, EACH DAY, Time and Materials (T&M) tickets for signature of DPR's authorized representative. DPR's authorized representative shall be its Project Manager, or the delegated representative designated in writing. The signature of DPR's authorized representative will constitute acknowledgment that the work was performed pursuant to DPR's direction, and that the time and material quantities indicated on the T&M Ticket appear to be correct. The signature of DPR's authorized representative shall not be deemed to constitute agreement that the work of the T&M Ticket has been performed properly in accordance with the requirements of the Subcontract Documents, which shall remain Subcontractor's responsibility. Further, the signature of DPR's authorized representative shall not by itself be deemed conclusive evidence of DPR's agreement that Subcontractor is entitled to payment for the amount(s) shown on the T&M Ticket. Subcontractor shall not be entitled to payment for any work claimed to have been performed under this Subcontract when the T&M Tickets documenting such work have not been duly signed by DPR's authorized representative.
- 6.5.2 Subcontractor's T&M Tickets shall include, at a minimum, the following information:

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

- a. The date on which the work was performed.
- b. A detailed description of the work performed.
- c. The location of the work performed.
- d. The name of the DPR Representative authorizing such work to be performed under the Allowance.
- e. Names, Man-hours and Labor Rates actually paid by Subcontractor for all labor performed, with separate identification of straight and overtime hours.
- f. Descriptions and costs for each item of materials used to perform the work.
- g. Descriptions and costs for each item of equipment used to perform the work.
- h. The signature of DPR's Authorized Representative.
- i. The signature of Subcontractor's authorized representative.

- 6.6 **Scope Disputes:** If a dispute arises between DPR and Subcontractor about whether there exists a change in the Work, Subcontractor shall timely perform the disputed work and shall give written notice of its intent, if any, to claim for additional compensation for that work pursuant to Section 17. **Such written notice of claim must be given prior to performance of the disputed work .** Subcontractor's failure to give written notice and submit its claim accordingly constitutes an agreement that Subcontractor will not be paid for the disputed work and a waiver of claims therefore.
- 6.7 **Surety:** No change, alteration, or modification to or deviation from the Subcontract Documents, whether made in the manner provided in this provision or not, shall release or exonerate, in whole or in part, any bond or any surety on any bond given in connection with this Agreement, and no notice is required to be given to such surety of any such change, alteration, modification, or deviation.
- 6.8 **Claims:** If Subcontractor timely gives DPR written notice of a claim for additional compensation pursuant to Section 6.6 above, the format and content of such claim shall conform to the requirements set forth in this Section 6.8 and shall be otherwise satisfactory to DPR. Claims submitted hereunder must be submitted within the earlier of thirty (30) Days after notification of intent to claim, or such earlier time as may be required by the Prime Contract. Claims by Subcontractor must provide sufficient details and attached supporting documentation for DPR to determine the validity of the claim, including but not limited to: a description of the alleged change, a demonstration of contractual entitlement; a detailed breakdown of the costs; the dates on which the costs were actually incurred; a time impact analysis for any time request, and a demonstration of how the disputed Work resulted in the incurrence of the claimed costs. If DPR rejects the claim in whole or in part, the claim may be resolved in accordance with the resolution procedures set forth in Section 17 below. DPR shall, upon request, be entitled to review and audit Subcontractor's project records and actual cost data relating to Subcontractor's claim.
- 6.9 **Unforeseen Conditions:** If Subcontractor encounters conditions at the Project site which are a) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Subcontract Documents, or b) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Subcontract Documents or (c) conditions which differ materially from those which should have been discovered if Subcontractor had performed the investigations, testing or inspections required to be performed by the Contractor under the Prime Contract which Subcontractor agreed to perform pursuant to Section 1.3 above (in each case, an "Unforeseen Condition"), then Subcontractor shall deliver to DPR notice of the Unknown Condition promptly before it is disturbed and in no event later than twenty-four (24) hours after first observance of the conditions. If the Prime Contract provides for procedures governing the discovery of an Unknown Condition, DPR and Subcontractor shall comply with those procedures. To the extent the Prime Contract does not provide those procedures, the following shall apply: DPR shall cause a prompt investigation of the Unknown Condition, which may in DPR's discretion include a request to Owner and/or Architect to undertake the investigation. Provided that the Unknown Condition was not discoverable during the course of Subcontractor's review and investigation of the Subcontract Documents and field conditions pursuant to Section 1.3 above, and if DPR, or Owner and

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

Architect, as the case may be, determines the conditions at the Project site differ materially and causes an increase or decrease in the Subcontractor's cost of, or time required for, performing any part of the Work, an adjustment will be made to the Subcontract Price or time for performing the Work, or both, subject to allowability per the Prime Contract. The amount of the adjustment to the Subcontract Price, if any, shall in any event be limited to the amount which DPR receives from Owner on Subcontractor's behalf based upon the claim submitted by Subcontractor. If DPR, Owner, or Architect, as the case may be, determines that the conditions at the Project site are not materially different from those indicated in the Subcontract Documents or from those which should have been discovered by Subcontractor by performing investigations, testing, or inspections required by the Prime Contract, no equitable adjustment will be made to the Subcontract Price or time for performing the Work. Claims by Subcontractor in opposition to DPR's determination must be made within the earlier of: a) twenty-one (21) Days after DPR has given notice of the decision; or b) two (2) Business Days prior to the last day that DPR may oppose a similar determination under the Prime Contract. Subcontractor's rights under this Section 6.9 are subject to DPR's rights to oppose any determination by Owner or Architect under the Prime Contract or other agreement. Subject to the limitations herein, if DPR and Subcontractor cannot agree on an adjustment to the Subcontract Price or time for performing the Work, the adjustment shall resolved in accordance with Section 17.

## **SECTION 7 DAMAGES CAUSED BY DELAYS**

- 7.1 If Subcontractor defaults in its performance of the Work or otherwise commits any act or omission which causes delay to DPR or other subcontractors or suppliers or the Project, or causes the completion of the Project to be delayed, Subcontractor shall be liable for all losses, costs, expenses, liabilities and damages, including consequential damages and liquidated damages, sustained by DPR, or for which DPR may be liable to Owner or any other party because of Subcontractor's default or act or omission.

## **SECTION 8 BONDING OF SUBCONTRACTOR**

- 8.1 Concurrently with the execution of this Agreement, Subcontractor shall, if required by DPR, provide a payment bond and/or performance bond, each in an amount equal to one hundred percent (100%) of the Subcontract Price. These bonds shall be executed by a corporate surety acceptable to DPR and shall be in a form satisfactory to DPR. DPR shall pay the premium on these bonds, without markup, and such amount is included in the Subcontract Price.

## **SECTION 9 LIENS**

- 9.1 Satisfaction of Liens: If an action is brought on any claim or lien, by any party for whom Subcontractor is responsible, for labor or services performed or equipment and materials provided in connection with the Work (a "Lien"), Subcontractor shall pay and satisfy the Lien as may be required by the court having jurisdiction in the action.
- 9.2 Removal of Action or Lien: Within ten (10) Days after DPR delivers to Subcontractor a written demand to cause any Lien to be removed from the premises Subcontractor shall cause the Lien to be removed or dismissed, or shall bond around the Lien. If Subcontractor fails to do so, DPR may take whatever steps it may deem in its sole discretion appropriate to cause the Lien to be removed or dismissed, including posting a bond for removal of the lien. All costs incurred by DPR relating to the foregoing, together with actual attorneys' fees, plus a markup of fifteen percent (15%) overhead, shall be immediately due and payable to DPR by Subcontractor. Subcontractor may litigate the Lien, provided it causes the effects of the Lien to be promptly removed from the Project to the satisfaction of DPR and Owner. Subcontractor shall also take whatever steps that may be necessary to cause Owner not to withhold any monies due to DPR from Owner by reason of the Lien.
- 9.3 Condition Precedent: The full and faithful performance of this Agreement on the part of Subcontractor (including the payment of any obligations due from Subcontractor to DPR, and any amounts due to labor or materialmen furnishing labor or material for the Work, or union trustees or trust funds) is a condition precedent to Subcontractor's right to receive payment for the Work. Any monies paid by DPR to Subcontractor under the terms of this Agreement shall be held in trust by Subcontractor in favor of third parties furnishing labor and material to Subcontractor with respect to the Work.

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

**SECTION 10 PROVISIONS FOR INSPECTION**

- 10.1 Subcontractor shall at all times furnish to DPR and its representatives safe and ample facilities for inspecting materials at the Project site, shops, factories or any place of business of Subcontractor and its subcontractors and materialmen where materials under this Agreement may be in the course of preparation, process, manufacture or treatment. Subcontractor shall furnish to DPR as often as required by DPR, full reports of the progress of the Work at any place where materials under this Agreement may be in the course of preparation or manufacture. These reports shall show the progress of that preparation and manufacture in such details as may be required by DPR, including, but not limited to, any plans, drawings, or diagrams in the course of preparation.

**SECTION 11 MATERIALS AND WORK FURNISHED BY OTHERS**

- 11.1 If the Work includes installation of materials or equipment furnished by others or work to be performed in areas to be constructed or prepared by others, Subcontractor shall immediately examine the items or areas to ensure they are of acceptable quality or condition for the Work. If Subcontractor reasonably concludes the items or areas are so acceptable, Subcontractor shall secure, handle, store and install the items with that skill and care as to ensure completion of the Work in accordance with this Agreement. The use of these items or commencement of any Work by Subcontractor in those areas shall constitute Subcontractor's acceptance of them. Subcontractor shall be liable for any loss or damage caused by the acts of Subcontractor, or those for whom Subcontractor is responsible, and DPR may deduct any such amount from monies otherwise due Subcontractor under this Agreement.

**SECTION 12 PROTECTION OF WORK**

- 12.1 Subcontractor shall secure and protect the Work performed and assume full responsibility for the condition of the Work until final acceptance by Architect, Owner, and DPR. Subcontractor shall also provide protection as is necessary to protect the Work and the workmen of DPR, Owner and other subcontractors and suppliers from Subcontractor's operations. Subcontractor shall be liable for any loss or damage to any work in place or to any equipment and materials at the Project site caused by Subcontractor or its agents, employees or guests, or by Subcontractor's failure to secure and protect the Work until it is accepted.

**SECTION 13 LABOR**

- 13.1 Representative: Prior to the commencement of any Work, Subcontractor shall designate a responsible representative at the Project site. The representative shall be available at the Project site at all times when the Work is in progress. The representative shall be authorized to represent Subcontractor as to all phases of the Work, and to act on behalf of the Subcontractor. In the event of any proposed change of representative, Subcontractor shall notify DPR of the new representative at least twenty-four (24) hours prior to the change becoming effective.
- 13.2 DBE/MBE/WBE/DVBE/SBE: Subcontractor represents and warrants that it has reviewed and is thoroughly familiar with all DBE/MBE/WBE/DVBE/SBE requirements pertaining to the Project, if any. If Subcontractor claims status as a DBE/MBE/WBE/DVBE/SBE, the Subcontractor shall make all necessary records available to DPR and Owner to confirm that status and Subcontractor's compliance with those requirements. If any sub-subcontractor or supplier of Subcontractor is designated or is required to be a DBE/MBE/WBE/DVBE/SBE, Subcontractor shall be responsible to ensure that the sub-subcontractor or supplier meets all applicable requirements. DPR is relying on Subcontractor's representations regarding the validity of Subcontractor's status, if any, as a DBE/MBE/WBE/DVBE/SBE. Misrepresentation of the status of Subcontractor or any of its sub-subcontractors or suppliers as a DBE/MBE/WBE/DVBE/SBE is a material breach of this Agreement and grounds for immediate termination. If this Agreement is terminated due to a material misrepresentation of the status of Subcontractor or any sub-subcontractor or supplier of Subcontractor as a DBE/MBE/WBE/DVBE/SBE, Subcontractor shall not be entitled to any compensation not already paid under this Agreement and DPR shall be entitled to any excess costs and expenses related to completing the Work, in accordance with Section 14.1.3.
- 13.3 Employment Laws: Subcontractor shall comply with all equal employment opportunity and affirmative action requirements promulgated by any governmental authority, including, without limitation, the

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract



requirements of the Civil Rights Act of 1964, as amended; Presidential Executive Orders No. 10925, 11114 and 11246; any Fair Employment and Housing Acts, if applicable; the Americans with Disabilities Act of 1990, as amended; and the Family and Medical Leave Act of 1993. Subcontractor shall comply with and agrees to be bound by all applicable federal, state and local laws and regulations, including, but not limited to, all Fair Labor Standards Act provisions and North Carolina Labor Code provisions covering the Work. Upon request, Subcontractor agrees to submit certified payroll reports to DPR no later than three (3) working days after labor has been paid.

- 13.4 **Labor.** If Subcontractor is signatory to any labor agreements, Subcontractor agrees to comply with all of the terms and conditions of labor agreements including trust fund payment into the respective labor trust funds set forth in the respective labor agreements, insofar as Subcontractor may lawfully be required to do.
- 13.4.1 Should there be a labor dispute on DPR's jobsite and should a reserved gate or neutral access be established, it shall be the obligation of Subcontractor to continue the proper performance of its work without interruption or delay.
- 13.4.2 Prior to Final Payment to the Subcontractor, when requested by the Contractor, Subcontractor agrees to provide a letter from the labor trust funds for unions which Subcontractor is signatory to that indicates the date through which Subcontractor is current to in their trust fund payments obligations. Said date shall be no more than 60 days in arrears of Subcontractor's request for final payment.

## SECTION 14 RECOURSE BY DPR

### 14.1 Failure of Performance :

- 14.1.1 Right to Adequate Assurance : If, at any time during Subcontractor's performance of the Work under this Agreement, DPR has what DPR, in its sole discretion, believes to be reasonable grounds for insecurity with respect to Subcontractor's performance, DPR may, at its election, give Subcontractor written demand for adequate assurance of due performance. Such demand shall be issued and considered received in accordance with Section 25, Notices. If Subcontractor fails to provide such assurance that is reasonably acceptable to DPR within ten (10) Days after that Subcontractor's receipt of written demand, Subcontractor shall be in default under Section 14.1.2 below.
- 14.1.2 Notice to Cure; Default; Remedies : If Subcontractor at any time (i) refuses or neglects to supply enough properly skilled workers and proper materials, or fails to properly and diligently perform the Work, (ii) fails to make prompt payment to its workers, sub-subcontractors, or suppliers, including without limitation any payment required to be made to any employee benefit program or trust, (iii) is in breach of any representation or warranty made by it in this Agreement, (iv) is in breach of any covenant made by it in this Agreement, (v) fails to perform in strict accordance with DPR's safety requirements, or (vi) commits or fails to commit any act that would constitute a default under the Prime Contract by either DPR or Subcontractor, then Subcontractor shall be deemed to be in default under this Agreement. If Subcontractor commits a default, and fails to commence and continue satisfactory correction of the default within forty-eight (48) hours after receipt of a written Notice thereof from DPR, without prejudice to any other rights or remedies, shall have the right to any or all of the following remedies:
- take steps to cure the default, including without limitation the supplying of workers, material, and equipment as DPR deems necessary for the orderly and timely performance of the Work. Subcontractor shall pay all costs incurred by DPR to cure the default, plus a markup of fifteen percent (15%) overhead and profit on all expenses incurred by DPR in the performance of the Work, plus actual attorneys' fees;
  - contract with one or more additional contractors to perform all or part of the Work and charge to Subcontractor all resulting costs incurred by DPR;
  - use any materials, implements, equipment, appliances or tools furnished by or belonging to Subcontractor to complete the Work, or furnish those items to other contractors to complete the Work, without additional compensation to Subcontractor; and/or

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

- d. withhold payment of any monies due Subcontractor pending corrective action to the extent required by and to the satisfaction of DPR and/or offset against any monies due Subcontractor any amounts incurred by DPR to cure the default.

The foregoing remedies are cumulative and DPR shall not be deemed to have elected a particular remedy to the exclusion of the others. In the event of an emergency affecting the safety of persons or property, DPR may proceed as above without notice.

- 14.1.3 Termination for Default: In addition to any other remedies available to DPR, including without limitation any applicable remedies specified in Section 14.1.2 above, if Subcontractor fails to commence and satisfactorily continue correction of any default, or if Subcontractor is in breach of any representation or warranty made by it under this Agreement or any document furnished by it pursuant to this Agreement, then DPR may immediately terminate Subcontractor's right to proceed under this Agreement. Subcontractor shall not be entitled to any further payments until the balance of the Work has been completed. At such time as the balance of the Work has been completed, all of the costs incurred by DPR in performing the balance of the Work, including a markup of fifteen percent (15%) for overhead and profit on such costs, plus actual attorneys' fees, shall be deducted from any amounts due or to become due Subcontractor. In addition to any other remedies available to DPR, Subcontractor shall be liable for the payment of the amount by which the expenses incurred by DPR to cure the default (plus the markup) exceeds the unpaid balance of the Subcontract Price.
- 14.1.4 If DPR elects in its sole discretion, and effective only upon termination of Subcontractor's right to proceed under this Agreement pursuant to this Section 14.1.4 in combination with written direction of DPR, Subcontractor assigns to DPR all lower tier subcontracts and purchase orders for the Work. Subcontractor agrees to include provisions in its tier subcontracts and purchase orders for such assignment without further consent of such tier subcontractors or vendors.
- 14.2 Termination for Convenience: DPR may at any time and for any reason terminate this Agreement at DPR's convenience by delivering to Subcontractor a written Notice of termination.
- 14.2.1 Upon receipt of a Notice of termination under this Section 14.2, Subcontractor shall, unless the notice directs otherwise, immediately discontinue performing the Work and placing orders for materials, facilities, and supplies in connection with its performance under this Agreement. Subcontractor shall, if requested, make every reasonable effort to procure cancellation of all existing orders or contracts upon terms satisfactory to DPR, or at the option of DPR, give DPR the right to assume those obligations directly, including all benefits to be derived from them. Subcontractor shall, if directed by DPR in writing, thereafter perform that work as may be necessary to preserve and protect the Work already in progress and to protect material and equipment at the Project site or in transit thereto.
- 14.2.2 Upon termination under this Section 14.2., Subcontractor shall be entitled to payment for the Work only as follows, subject to any limitations imposed by the Prime Contract: (i) the actual cost of the Work completed in conformity with this Agreement as verified by DPR's audit; plus (ii) any other costs actually incurred by Subcontractor as are permitted by the Prime Contract and approved by DPR and/or Owner; plus (iii) fifteen percent (15%) of the cost of the Work referred to in the foregoing subparagraph (i) above as overhead and profit. Any payments made to Subcontractor prior to the date of the termination shall be deducted from any sums payable to Subcontractor under this subparagraph. Subcontractor shall not be entitled to any claim or lien against DPR or Owner for any additional compensation or damages in the event of such termination and payment.
- 14.3 Grounds for Withholding Payment: DPR may withhold payment under this Agreement or, on account of subsequently discovered evidence, nullify the whole or part of any previous payment, whenever DPR deems it necessary in order to protect itself from loss, including without limitation costs and attorneys' fees, due to: a) defective Work not remedied; b) claims filed or reasonable evidence indicating a probable filing of a claim by any third party or any employee, independent contractor, sub-subcontractor, or supplier who performed work on behalf of Subcontractor against the Work or Project; c) failure of Subcontractor to make proper payments to its sub-subcontractors, suppliers, or other persons employed in connection with the Work or any employee benefit program or trust; d) a reasonable doubt by DPR that the Work can be completed by Subcontractor in accordance with this Agreement for the balance then unpaid; e) damage

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

caused by Subcontractor or its own sub-subcontractors, suppliers or agents to another subcontractor or supplier; f) penalties assessed against DPR or Subcontractor for failure of Subcontractor to comply with federal, state, or local laws and regulations; g) grounds under which Owner may elect to withhold payment under the Prime Contract; h) Subcontractor's failure, or DPR's reasonable anticipation that Subcontractor will fail, to comply with any provision under this Agreement; i) Subcontractor's failure to timely submit any report, submittal, or lien release required pursuant to this Agreement, and/or j) any other ground for withholding payment allowed by federal, state or local law or as provided in this Agreement. In any of those events, any amounts then due and owing to Subcontractor shall be paid or credited to it upon the event being rectified to DPR's full satisfaction.

#### 14.4 Bankruptcy:

14.4.1 Termination Absent Cure. To the fullest extent permitted by applicable law upon (i) the appointment of a receiver for Subcontractor, (ii) Subcontractor making an assignment for the benefit of creditors, (iii) Subcontractor seeking protection under the Bankruptcy Code or committing any other act of insolvency, or (iv) a bankruptcy proceeding is filed against Subcontractor, DPR may terminate this Agreement upon giving forty-eight (48) hours written Notice to Subcontractor and its surety, if any. If an order for relief is entered under the Bankruptcy Code with respect to Subcontractor, DPR may terminate this Agreement by giving forty-eight (48) hours written Notice, to Subcontractor, its trustee, and its surety, if any, unless Subcontractor, the surety, or the trustee:

- a. promptly cures any and all defaults and compensates DPR for actual loss resulting from the defaults;
- b. assumes the obligations of Subcontractor within the statutory time limits;
- c. provides to DPR adequate assurance of future performance;

14.4.2 Interim Remedies. DPR may setoff against any sums due or to become due Subcontractor all costs incurred in pursuing any of the remedies provided hereunder, including, but not limited to, reasonable overhead, profit and actual attorneys' fees incurred as a result of Subcontractor's non-performance. Subcontractor shall be liable for the payment of any amount by which that expense may exceed the unpaid balance of the Subcontract Price, in addition to any other remedies available to DPR.

### SECTION 15 INDEMNIFICATION

#### 15.1 Subcontractor's Performance:

15.1.1 To the maximum extent permitted by law, Subcontractor shall defend, indemnify and hold harmless Owner and DPR, including their officers, agents, employees, affiliates, parents and subsidiaries, and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liability, in law or in equity, of every kind and nature whatsoever ("Claims") arising out of or related to Subcontractor's performance under this Agreement, including, but not limited to, Claims for:

- a. Personal injury, including, but not limited to, bodily injury, emotional injury, sickness or disease, or death to persons, including, but not limited to, any employees or agents of Subcontractor, Owner, DPR, or any other subcontractor and/or damage to property of anyone (including loss of use thereof), caused or alleged to be caused by negligent acts or omissions of Subcontractor or anyone directly or indirectly employed by Subcontractor or anyone for whose acts Subcontractor may be liable. b. Penalties imposed on account of the violation of any law, order, citation, rule, regulation, standard, ordinance, or statute, caused by the action or inaction of Subcontractor.
- c. Infringement of any patent, trademark, or other proprietary right which may be brought against DPR or Owner arising out of Subcontractor's work.
- d. Claims and liens (see Section 9) for labor performed or materials used or furnished to be used for the Work, including all incidental or consequential damages resulting to DPR or Owner from such claims or liens.

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

- e. Subcontractor's failure to comply with any covenants made by it in this Agreement.
- f. Subcontractor's breach of any representation or warranty made by it in this Agreement or in any document furnished by it pursuant to this Agreement.
- g. Any liabilities, losses or expenses arising out of or relating to any other act (or failure to act) by Subcontractor for which DPR must indemnify Owner under the Prime Contract.
- h. Any violation or infraction by Subcontractor of any law, order, citation, rule, regulation standard, ordinance or statute in any way relating to the occupational health or safety of employees, including, but not limited to, the use of DPR's or others' equipment, hoists, elevators, or scaffolds.

The indemnification provisions of a) through h) above shall survive the termination or expiration of this Agreement.

15.1.2 Subcontractor shall :

- a. At Subcontractor's own cost, expense and risk, defend all Claims as defined in Section 15.1.1 that may be brought or instituted by third persons, including, but not limited to, governmental agencies or employees of Subcontractor, against DPR or Owner or their agents or employees or any of them;
- b. Pay and satisfy any judgment or decree that may be rendered against DPR or Owner or their agents or employees, or any of them, arising out of any such Claim; and/or
- c. Reimburse DPR or Owner or their agents or employees for any and all expenses incurred by any of them in connection herewith or in enforcing the indemnity granted in this Section 15, including, without limitation, actual attorneys fees.

15.2 Risk of Loss: All Work performed at the Project site or in preparing or delivering materials or equipment, or any or all of them, to the site shall be at the risk of Subcontractor exclusively until the Work as completed is accepted by DPR, except to the extent that such risk is covered by Builder's Risk insurance provided by DPR or Owner.

15.3 No Limitation of Liability: The indemnities set forth in this Section 15 shall not be limited by the insurance requirements set forth in Section 16.

15.4 Survival: The provisions set forth in this Section 15 shall survive the termination of this Subcontract and the completion of the work.

## SECTION 16 INSURANCE

16.1 Subcontractor shall, at its expense, comply with the terms and conditions relating to insurance and risk management procedures set forth in **Attachment A** (Insurance Requirements), including without limitation the procurement and maintenance of insurance coverage pursuant to that attachment.

## SECTION 17 DISPUTE RESOLUTION PROCEDURES

17.1 Means of Resolution: The dispute resolution procedures of the Prime Contract (which procedures are incorporated herein as if fully set forth) shall apply to disputes arising hereunder if such disputes involve or are alleged to involve acts or omissions of the Owner or its representatives or involve a dispute between Owner and DPR, related in any manner to the Work. If the dispute does not involve acts or omissions of the Owner or its representatives, does not involve a dispute between Owner and DPR related, in any manner to the Work, or if there is no dispute resolution procedure in the Prime Contract, then all claims, disputes and matters in question arising out of or relating to this Agreement (a "Dispute"), except for claims which have been waived by Subcontractor by the acceptance of final payment or otherwise hereunder, shall be decided by the claims procedure set forth in Section 17.2.

17.2 Disputes Resolution Procedure:

17.2.1 Dispute Notice: If either party (the "Disputing Party") determines that a Dispute exists, that party shall provide written notice of the Dispute to the other, setting forth the nature of the Dispute with

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

specific details or, in the case of a Dispute relating to changes in the Work, the details in the form described in Section 6.8 followed by the claim for additional compensation (in either case a “Dispute Notice”).

- 17.2.2 Informal Resolution: For a reasonable period commencing on the day the Dispute Notice is delivered by the Disputing Party to the other, but not to exceed thirty (30) days, the parties shall in good faith attempt to resolve the Dispute. If the parties are unable resolve the Dispute during this period, the parties shall proceed with mediation.
- 17.2.3 Mediation: Upon the failure of the parties to resolve the Dispute under Section 17.2.2, the Disputing Party may require that the Dispute be submitted to non-binding mediation by delivering a written notice thereof (the “Mediation Notice”) to the other party. The parties shall use their best efforts to commence mediation promptly after the Disputing Party delivers the Mediation Notice to the other. In this event, each party shall in good faith attempt to resolve the Dispute in mediation, with each party bearing their own costs and expenses and the fees of the mediator being shared equally. If the parties are still unable to resolve the Dispute within a reasonable time, but in no event exceeding fifteen (15) days after the first day the mediation proceeding commences, the Disputing Party may require that the Dispute be submitted to binding arbitration under Section 17.2.4
- 17.2.4 Arbitration: To the extent the parties are unable to resolve any Dispute in mediation; the Dispute may be resolved in DPR’s sole discretion, in binding arbitration conducted by a single, neutral arbitrator. Unless the parties mutually agree otherwise, the arbitration shall be conducted according to the Judicial Arbitration and Mediation Services, Inc. (JAMS) rules applicable to JAMS arbitrations at the time of the arbitration or such other procedures as may be agreed upon by the parties. The arbitration shall determine all rights and obligations under this Agreement and the award of the arbitrator shall be final, binding, and enforceable. Any award issued pursuant to this provision may be enforced in a court of competent jurisdiction, and each party hereby consents to that jurisdiction. Exclusive venue for any arbitration, and the State or Federal courts where any award can be enforced, shall be in the locality in which the project is located.
- 17.3 Disputes Involving Owner: Subcontractor shall not be entitled to receive any greater amount from DPR than DPR receives from Owner on account of Subcontractor’s claim(s), less any markups or costs to which DPR is otherwise entitled, and Subcontractor shall accept such amount, if any, received by DPR from Owner as a full accord and satisfaction of all such claims for or on account of acts or omissions of Owner or its representatives. If Subcontractor fails to prosecute claims relating to acts or omissions of Owner through the dispute resolution procedures of the Prime Contract, or fails in any way to adhere to claims procedures contained in the Prime Contract, it shall be barred from asserting such claims against DPR in any other proceeding or through any other procedures, including those under Section 17.2 above. Subcontractor shall be solely responsible for complying with the requirements set forth for DPR under the Prime Contract with respect to any claims by or against Subcontractor. Subcontractor shall reimburse DPR for any expenses incurred by DPR, including actual attorneys’ fees, for DPR’s prosecution of a claim against Owner on behalf of, and at the request of, Subcontractor. If Owner makes a claim against DPR for which Subcontractor is alleged to be responsible, Subcontractor shall defend such claims in accordance with the provisions of the Prime Contract. If Subcontractor fails to defend such claims, DPR shall have the right to defend such claim at Subcontractor’s sole expense.
- 17.4 Work Continuation and Payment: Notwithstanding the existence of any Dispute, Subcontractor shall continue performing the Work and maintain the schedule of Work as set forth in the Project Schedule pending resolution under this Section 17. To the extent Subcontractor continues to perform the Work despite the existence of a Dispute, DPR shall continue to make payments in accordance with this Agreement, subject to its right to withhold payment under Section 14.3 above.
- 17.5 Consolidated Proceedings: To the extent a Dispute involves a common question of fact or law with any other dispute or claim between DPR and Owner under the Prime Contract, the Dispute shall be resolved in accordance with any applicable resolution provisions under the Prime Contract. In this event, Subcontractor shall be responsible for preparing and presenting DPR’s case, to the extent the resolution proceedings are related to this Agreement. If DPR enters into any arbitration or other proceeding with Owner or others regarding matters relating to this Agreement, Subcontractor shall be bound by the result

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

of the arbitration or proceeding to the same degree as DPR. Further, Subcontractor shall have the obligation to join any arbitration between Owner and DPR which involves, in any respect, the Work performed by Subcontractor. Nothing in this Section 17 shall require DPR to participate in any arbitration with Subcontractor if there is a dispute between Owner and DPR involving Subcontractor's Work and Owner and DPR are not parties to an agreement requiring binding arbitration to resolve the dispute

- 17.6 No Limitation of Rights or Remedies: This Section shall not be deemed a limitation of any rights or remedies which Subcontractor may have under any federal or state mechanics' lien laws or under any applicable labor and material payment bonds, unless those rights or remedies are expressly waived by Subcontractor.

## **SECTION 18 COMPLIANCE WITH LAWS; SAFETY PRACTICES**

- 18.1 Subcontractor shall comply fully with all laws, orders, citations, rules, regulations, standards and statutes pertaining to the Work (collectively, "Laws"), including, without limitation, Laws bearing on or related to occupational health and safety, the handling and storage of hazardous materials, accident prevention, safety equipment and practices including the accident prevention and safety program of Owner and DPR. Subcontractor is responsible for ensuring that its subcontractors and suppliers, and their employees, comply with DPR's site safety requirements. Subcontractor shall conduct inspections to determine that safe working conditions and equipment exist and accepts sole responsibility for: a) providing a safe place to work for its employees and for employees of its subcontractors and suppliers; b) the adequacy of and required use of all safety equipment; and c) full compliance with the Laws. Subcontractor shall have sole responsibility for providing a safe workplace in performing its Work and for its agents, employees, representatives, laborers, subcontractors and independent contractors, and shall be solely responsible for ensuring that it complies with all applicable safety laws and regulations. If DPR believes the Subcontractor is not performing its Work in compliance with any applicable safety laws or regulations, DPR reserves the right to stop Subcontractor's Work until corrective action is taken by Subcontractor. If Subcontractor fails to take corrective action, DPR, in its discretion, shall have the right, but not the obligation, to take corrective action and to backcharge the cost or expense thereof against Subcontractor.

## **SECTION 19 WARRANTY**

- 19.1 Subcontractor warrants to Owner, Architect, and DPR that all materials and equipment furnished shall be new, unless otherwise explicitly specified in the Subcontract Documents and that all Work shall be of good quality, free from faults and defects and in full conformance with the Subcontract Documents. All Work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective. The warranty provided in this Section 19 shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Subcontract Documents. The representations and warranties in this Section 19 shall survive the termination or completion of this Agreement. In addition to the foregoing warranties, Subcontractor shall be required to provide all warranties required in the Prime Contract to be provided by DPR that relate, in any manner, to the Subcontractor's Work.

## **SECTION 20 USE OF DPR'S EQUIPMENT**

- 20.1 If Subcontractor shall use DPR's equipment, materials, labor, supplies or facilities, Subcontractor shall reimburse DPR for such use at rates acceptable to DPR except as otherwise stated herein. Furthermore, Subcontractor assumes all responsibility for physical damage to any and all equipment, materials, labor, supplies, or facilities used by Subcontractor or its agents, employees, or permittees. If DPR's employees are used by Subcontractor, Subcontractor shall have full responsibility for all acts or omissions of DPR's employees with regard to Subcontractor's use of them. Subcontractor accepts any and all of DPR's equipment, materials, labor, supplies, or facilities as furnished, without any express or implied warranties by DPR with respect thereto. Subcontractor shall execute DPR's Hold Harmless Agreement prior to use of such equipment.

## **SECTION 21 ASSIGNMENT OF CONTRACT**

- 21.1 Subcontractor shall not, without the written consent of DPR, assign, transfer, or sublet any portion or part of the Work, nor assign any payment, claims, or rights hereunder to any third party. DPR may assign this Subcontract to its surety.

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

- 21.2 DPR may assign this Agreement to Owner or its designated assignee in accordance with the terms of the Prime Contract, subject to the prior rights of any surety obligated by this Agreement.
- 21.3 No assignment of any funds becoming due or payable to Subcontractor hereunder shall be binding upon DPR unless Contractor has received written notice of and a true copy of such assignment, DPR has agreed to such assignment, and unless the assignees have acknowledged in writing that such assignment is subject to the terms and provisions of this subparagraph. Each assignment of funds becoming due or payable hereunder shall be subject to all of the provisions of this Subcontract and the Contract Documents and the rights of Subcontractor's employees, suppliers and subcontractors to be paid first and in full out of any funds paid hereunder. All funds received by any assignee under any such assignment shall be received and held by it in trust for the benefit of Subcontractor's employees, suppliers and subcontractors on the Project to the extent of all amounts due them on or in connection with the Project. All such employees, suppliers and subcontractors shall be paid in full all sums due them on or in connection with the Project before any funds paid hereunder received by such assignee or paid or applied on any other obligation of Subcontractor or for any other purpose. If an assignment is approved hereunder and subsequent to that assignment it is determined that Subcontractor's employees, suppliers or subcontractors on the Project have not been paid any amount that may be due and owing to them, the assignee shall pay to such employees, suppliers and subcontractors the full amount of all sums due and owing to such employees, suppliers and subcontractors in connection with the Project. If the assignee does not pay said amounts, assignee shall be liable to DPR for any amounts paid by DPR to such employees, suppliers and subcontractors and assignee, by accepting the assignment, shall be responsible for reimbursing DPR for all costs, expenses and attorney's fees incurred by DPR in recovering from the assignee all of the funds paid by DPR to any employees, suppliers and subcontractors of Subcontractor. This Section 21.3 is for the benefit and protection of DPR and may be enforced by it.
- 21.4 In the event of any such assignment, DPR shall have the right to make any payments becoming due hereunder to Subcontractor and such assignee and/or one or more of Subcontractor's subcontractors and/or suppliers jointly.

## **SECTION 22 INDEPENDENT CONTRACTOR**

- 22.1 Subcontractor is an independent contractor. Subcontractor shall have no authority to bind DPR in any respect. Subcontractor shall, at its sole cost and expense, and without increase in the Subcontract Price: (a) fully comply with all Laws (as defined in Section 18); (b) obtain all necessary permits and licenses therefore; and (c) pay all income taxes, gross receipts taxes, manufacturers' taxes, sales taxes, use taxes, processing taxes, and all federal, state and local taxes, insurance and contributions for social security and unemployment which are measured by wages, salaries, or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations. Subcontractor, upon request, shall furnish evidence satisfactory to DPR that any or all of the foregoing obligations have been fulfilled.

## **SECTION 23 CLEAN-UP**

- 23.1 At all times during the course of construction, Subcontractor shall perform the Work so as to maintain the Project site in a clean, safe and orderly condition, and in the condition required under the Subcontract Documents. Upon completion of the Work, Subcontractor shall remove from the Project site all hazardous materials, temporary structures, and equipment, unused materials, debris and waste incident to its operation, and Subcontractor shall clean all surfaces, fixtures, equipment, etc., relative to the performance of this Agreement, in the manner required of DPR under the Prime Contract.
- 23.2 Clean up shall be performed on a daily basis by each Subcontractor. If in the opinion of DPR, Subcontractor is not properly performing cleanup, DPR will issue to Subcontractor a twenty-Four (24) hour noncompliance Notice. If at the end of twenty-four (24) hours the Subcontractor has not satisfactorily accomplished the cleanup, DPR Construction, Inc. will perform such cleanup work and Subcontractor shall be liable for all costs incurred by DPR, at DPR's standard rates, plus 15%. Subcontractor agrees that 24 hours is a reasonable time for notice, due to the safety considerations associated with a worksite that is not appropriately cleaned.

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

**SECTION 24 ATTORNEYS' FEES**

- 24.1 The prevailing party in any litigation, arbitration, insolvency or other proceeding ("Proceeding") relating to the enforcement or interpretation of this Agreement may recover from the unsuccessful party all costs, expenses, and attorney's fees (including expert witness and other consultants' fees and costs) relating to or arising out of (a) the Proceeding (whether or not the Proceeding proceeds to judgment), and (b) any post-judgment or post-award proceeding including, without limitation, one to enforce or collect any judgment or award resulting from the Proceeding. All such judgments and awards shall contain a specific provision for the recovery of all subsequently incurred costs, expenses, and attorney's fees. Unless judgment goes by default, the attorneys' fee award shall not be computed in accordance with any court schedule, but shall be such as to fully reimburse all attorneys' fees actually incurred in good faith, regardless of the size of a judgment, it being the intention of the parties to fully compensate for all attorneys' fees and experts' fees paid or incurred in good faith.

**SECTION 25 NOTICES**

- 25.1 Each notice and other communication required or permitted to be given under this Agreement ("Notice") must be in writing. Notice is duly given to, and considered received by, the designated representative of the other party upon the earlier of: (a) hand delivery to the other party, (b) delivery to the other party when sent by facsimile to the fax number for that party, and when validated by a send-confirmation page from the sending fax machine, (c) receipt by the other party when sent by email, if the sender receives a delivery receipt indicating that the email was successfully delivered to the other party, and provided, that said Notice is not effective unless a paper form of Notice is promptly given by one of the other methods permitted under this paragraph; (d) three (3) Business Days after the Notice has been deposited with the United States postal service as first class certified mail, return receipt requested, postage prepaid, and addressed to the party as set forth on the signature page, or (e) the next Business Day after the Notice has been deposited with a reputable overnight delivery service, postage prepaid, addressed to the party as set forth on the signature page with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery-service-provider. Each party shall make a reasonable, good faith effort to ensure that it will accept or receive Notices to it that are given in accordance with this paragraph. A party may change its address for purposes of this paragraph by giving the other party(ies) written notice of a new address in the manner set forth above.

**SECTION 26 GOVERNING LAW**

- 26.1 This Subcontract shall be governed by, and shall be interpreted in accordance with, the laws of the state and locality in which the project is located without regard to any state's choice or conflict of law statutes.

**SECTION 27 DELIVERABLES AND CLOSE-OUT DOCUMENTATION**

- 27.1 All submittals and deliverables required to be submitted by Subcontractor under the Subcontract Documents shall be submitted by the dates required by DPR. All final closeout documentation shall be submitted by Subcontractor not later than 15 days after the earlier of demobilization from the site or final acceptance of Subcontractor's work by DPR, Architect, and Owner.

**SECTION 28 SEVERABILITY**

- 28.1 Severability: Every term, condition or provision of this Agreement is severable from others. If a court or an arbitrator of competent jurisdiction holds any term, condition or provision of this Agreement to be invalid, unenforceable or illegal in whole or in part for any reason, the validity and enforceability of the remaining terms, conditions or provisions, or portions of them, will not be affected.

**SUBCONTRACTORS MAY BE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE SUBCONTRACTORS STATE LICENSE BOARD.**

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract



**CONTRACTOR:**  
**DPR CONSTRUCTION, INC.**

**SUBCONTRACTOR:**  
**{{ToCompany.Name}} ">")**

(Signature)

(Signature)

{Contracts.FromSignedBy}  
(Typed/Printed Name)

{Contracts.ToSignedBy}  
(Typed/Printed Name)

{Contracts.FromSignedByTitle}  
(Title)

{Contracts.ToSignedByTitle}  
(Title)

Contractor's License No.: 599846

Subcontractor's License No.: {ToCompany.LicenseInfo}

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
North Carolina Subcontract

**ATTACHMENT 1**  
**LIST OF THE SUBCONTRACT DOCUMENTS**  
**TO THE SUBCONTRACT AGREEMENT BETWEEN**  
**DPR CONSTRUCTION, INC.**  
**AND**  
**({ToCompany.Name} ">")**  
**SUBCONTRACT NUMBER {Contracts.ContractNumber}**

**{Projects.Name}**  
**{Projects.Address}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

**Subcontract Documents. The following documents are collectively and individually referred to throughout the Subcontract as "Subcontract Documents."**

1. Prime Contract between DPR Construction, Inc. and the Owner, dated {LegalDocInfo.ContractDate} . If no date shown, please refer to Section 1.4 of this subcontract agreement.
2. Instructions to Bidders, dated {Contracts.Udf ITB Date} .
3. This DPR Subcontract agreement, dated {Contracts.ContractDate} , including the following attachments:
  - a. Attachment 1 - List of Subcontract Documents, dated {Contracts.ContractDate} .
  - b. Attachment 1A - List of the Subcontract Construction Documents, dated {Contracts.ContractDate} .
  - c. Attachment 2 - Continuation of Scope of Work and Commercial Terms dated {Contracts.ContractDate} .
  - d. Attachment 2A - Design/Build Supplement, dated {Contracts.ContractDate} .
  - e. Attachment 3 - Special Conditions, dated {Contracts.ContractDate} .
  - f. Attachment 4 - Schedule, dated {Contracts.ContractDate} .
  - g. Attachment 5 - DPR Environmental Health and Safety Plan, Rev 6, Jan 2005.
  - h. Attachment A - Project Insurance Requirements, dated {Contracts.ContractDate} .
  - i. Attachment B - Billing Package, dated {Contracts.ContractDate} .
  - j. Additional Insureds for the Insurance Requirements, dated {Contracts.ContractDate} .
  - k. {Contracts.Udf Add Attach1} .
  - l. {Contracts.Udf Add Attach2} .

**- End of Attachment 1 -**

{ToCompany.Name}  
 Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
 Attachment 1

**ATTACHMENT 1A**  
**LIST OF THE SUBCONTRACT CONSTRUCTION DOCUMENTS**  
**TO THE SUBCONTRACT AGREEMENT BETWEEN**  
**DPR CONSTRUCTION, INC.**  
**AND**  
**({{ToCompany.Name}} ">")**  
**SUBCONTRACT NUMBER {{Contracts.ContractNumber}}**

**{{Projects.Name}}**  
**{{Projects.Address}}**  
**DPR Job #: {{Projects.Number}}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

| <b>No.</b>                      | <b>Document Title</b>          | <b>Document Type</b>           | <b>Revision Date</b>               | <b>Revision No.</b>                  | <b>Prepared By</b>   |
|---------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------------|----------------------|
| {{DwgsSpecs<br>Headers.Number}} | {{DwgsSpecsHeaders.<br>Title}} | {{LU_DwgType.<br>Description}} | {{DrawingsSpecs.<br>RevisionDate}} | {{DrawingsSpecs.<br>RevisionNumber}} | {{Company.<br>Name}} |

**- End of Attachment 1A -**

{{ToCompany.Name}}  
 Initials \_\_\_\_\_/\_\_\_\_\_

{{Projects.Name}}

{{Contracts.ContractDate}}  
 Attachment 1A

**ATTACHMENT 2  
SCOPE AND COMMERCIAL TERMS  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
(**{ToCompany.Name}** ">")  
SUBCONTRACT NUMBER **{Contracts.ContractNumber}****

**{Projects.Name}**  
**{Projects.Address}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

**Continuation of Section 2.1 - Scope:**

The Subcontractor's Work is to include, but not be limited to providing all labor, supervision, installation, layout, engineering, hoisting, unloading, parking, shop drawings, submittals, mockups, benchmarks, fabrication, materials, equipment, services, supplies, tools, facilities, transportation, storage, protection, handling, licenses, inspections, taxes (federal, state, county, local, etc.), overhead, profit, insurance, etc. as required to timely complete the {Contracts.ScopeOfWork} in accordance with the Subcontract Documents.

**A. SPECIFIC SCOPE REQUIREMENTS:**

**1. INCLUSIONS:**

|                                 |                                  |
|---------------------------------|----------------------------------|
| {ContractInclusions.ItemNumber} | {ContractInclusions.Description} |
|---------------------------------|----------------------------------|

**2. EXCLUSIONS:**

|                                 |                                  |
|---------------------------------|----------------------------------|
| {ContractExclusions.ItemNumber} | {ContractExclusions.Description} |
|---------------------------------|----------------------------------|

**NO OTHER EXCLUSIONS, CLARIFICATIONS OR QUALIFICATIONS PROPOSED BY SUBCONTRACTOR ARE PART OF THIS AGREEMENT IF NOT EXPRESSLY ENUMERATED HEREIN .**

**B. COMMERCIAL TERMS:**

**1. SUBCONTRACTOR PRICE BREAKDOWN**

|                        |                 |                          |
|------------------------|-----------------|--------------------------|
| {ToCompany.Name}       | {Projects.Name} | {Contracts.ContractDate} |
| Initials _____ / _____ |                 | Attachment 2             |

| Item                               | Description                         | Phase Code                       | Amount                                 |
|------------------------------------|-------------------------------------|----------------------------------|----------------------------------------|
| {ContractSchedOfValues.ItemNumber} | {ContractSchedOfValues.Description} | {ContractSchedOfValues.BdgtCode} | {ContractSchedOfValues.ScheduledValue} |
| <b>Total Schedule of Values</b>    |                                     |                                  | {Contracts.OrigValue}                  |

**2. ALTERNATES AND ALLOWANCES**

| Item                            | Description                      | Amount                     |
|---------------------------------|----------------------------------|----------------------------|
| {ContractAlternates.ItemNumber} | {ContractAlternates.Description} | {ContractAlternates.Notes} |

**3. UNIT PRICES - LABOR**

|                                                                           |               |              |             |
|---------------------------------------------------------------------------|---------------|--------------|-------------|
| <b>GENERAL FOREMAN</b><br>Base w/ Fringes<br>Burden<br>Total Labor / hour | Straight Time | Time and 1/2 | Double Time |
| <b>FOREMAN</b><br>Base w/ Fringes<br>Burden<br>Total Labor / hour         | Straight Time | Time and 1/2 | Double Time |
| <b>JOURNEYMAN</b><br>Base w/ Fringes<br>Burden<br>Total Labor / hour      | Straight Time | Time and 1/2 | Double Time |
| <b>APPRENTICE</b><br>Base w/ Fringes<br>Burden<br>Total Labor / hour      | Straight Time | Time and 1/2 | Double Time |

Subcontractor warrants that the rates above include all labor burdens, fringes, benefits, taxes, insurance and other factors, multipliers or markups for any and all cost incurred by Subcontractor with respect to or allocated by Subcontractor on the basis of, labor hours

**4. UNIT PRICES – OTHER:**

| DESCRIPTION | UNIT AMOUNT | UNIT OF MEASURE | COMMENT |
|-------------|-------------|-----------------|---------|
|-------------|-------------|-----------------|---------|

{ToCompany.Name}  
Initials \_\_\_\_\_/\_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
Attachment 2

**5. CHANGE ORDER MARKUPS:**

Subcontractor's markups on direct costs (excluding above unit prices for labor) in the change order proposal shall be limited to the following:

| <b>Description</b> | <b>Overhead on Subcontractor Cost</b>           | <b>Profit on Subcontractor Cost</b>            | <b>OH &amp; P on Subtier</b>                   |
|--------------------|-------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Additive Changes   | {{Contracts.Udf_Add_CO_OH}}<br>"Percent")       | {{Contracts.Udf_Add_CO_P}}<br>"Percent")       | {{Contracts.Udf_Subtier_Add}}<br>"Percent")    |
| Deductive Changes  | {{Contracts.Udf_Deductive_CO_OH}}<br>"Percent") | {{Contracts.Udf_Deductive_CO_P}}<br>"Percent") | {{Contracts.Udf_Subtier_Deduct}}<br>"Percent") |

**C. GENERAL REQUIREMENTS FOR ALL TRADES:****APPROVED AND ACCEPTED BY:****CONTRACTOR:**

By: DPR Construction, Inc.  
 Name: {{Contracts.FromSignedBy}}  
 Title: {{Contracts.FromSignedByTitle}}

**SUBCONTRACTOR:**

By: {{ToCompany.Name}}  
 Name: {{Contracts.ToSignedBy}}  
 Title: {{Contracts.ToSignedByTitle}}

- End of Attachment 2 -

{{ToCompany.Name}}  
 Initials \_\_\_\_\_ / \_\_\_\_\_

{{Projects.Name}}

{{Contracts.ContractDate}}  
 Attachment 2

**ATTACHMENT 2A  
DESIGN BUILD SUPPLEMENT  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
(**{ToCompany.Name}** ">")  
SUBCONTRACT NUMBER **{Contracts.ContractNumber}****

**{Projects.Name}**  
**{Projects.Address}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

**Continuation of Section 2 - Scope:**

- 2.1 The Contractor employs the Subcontractor as an independent contractor, to design and construct a part of the Project for which the Contractor has contracted with the Owner. The Subcontractor's portion of the Project, hereinafter referred to as the "Work," is set out in the Subcontract Documents. The Subcontractor agrees to perform such Work under the general direction of the Contractor and subject to the final approval of the Owner, in accordance with the Subcontract Documents
- 2.2 In the performance of his Work, Subcontractor will:
- 2.2.1 Furnish by properly licensed and qualified architects or engineers all necessary professional architectural and engineering design services for the design of the Work;
  - 2.2.2 Furnish all labor and materials, along with competent supervision, shop drawings and samples, tools, equipment, scaffolding, permits and fees necessary for the construction of the Work;
  - 2.2.3 Give all notices and comply with all applicable laws, building codes, ordinances, regulations and orders of any public authority.
  - 2.2.4 The Subcontractor shall submit for the Contractor's and Owner's approval in accordance with the Project Schedule, design development documents, working drawings, specified shop drawings and samples, and data and specifications of materials proposed to be incorporated in the Work. The Subcontractor shall provide copies of approved drawings in the form and quantity specified by the Contractor. Subcontractor shall advise Contractor and other affected trades of all design development changes and in a timely manner so as to preclude additional costs and conflicts with work of others on the Project. Subcontractor shall be liable for the extra costs incurred for failure to provide such timely notice;
  - 2.2.5 The Work performed under this Agreement shall be coordinated by the Subcontractor with the Design and Construction work performed by others outside of this Agreement. Sufficient plans and specifications prepared by the Subcontractor under this Agreement will be furnished for coordination, construction and permit purposes.

**APPROVED AND ACCEPTED BY:**

**CONTRACTOR:**

**DPR Construction, Inc.**  
By: \_\_\_\_\_  
Name: **{Contracts.FromSignedBy}**  
Title: **{Contracts.FromSignedByTitle}**

**SUBCONTRACTOR:**

**{ToCompany.Name}**  
By: \_\_\_\_\_  
Name: **{Contracts.ToSignedBy}**  
Title: **{Contracts.ToSignedByTitle}**

**- End of Attachment 2A -**

**{ToCompany.Name}**  
Initials /

**{Projects.Name}**

**{Contracts.ContractDate}**  
Attachment 2A

**ATTACHMENT 3  
SPECIAL CONDITIONS  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
({{ToCompany.Name}} ">")  
SUBCONTRACT NUMBER {{Contracts.ContractNumber}}**

**{{Projects.Name}}**  
**{{Projects.Address}}**  
**DPR Job #: {{Projects.Number}}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

- A. Following is a listing of specific clauses in the Prime Contract that are required to be inserted into the Subcontract Agreements on this Project. This listing does not in any way limit or change the applicability of the Prime Contract.**

Pending final execution of the Prime Contract with the Owner.

- B. Following is a listing for Subcontractor's information and convenience only and does not in any way limit or change the applicability of the Prime Contract.**

Pending final execution of the Prime Contract with the Owner.

**- END OF ATTACHMENT 3 -**

{{ToCompany.Name}}  
Initials /

{{Projects.Name}}

{{Contracts.ContractDate}}  
Attachment 3



**ATTACHMENT 4  
SCHEDULE  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
({{ToCompany.Name}} ">")  
SUBCONTRACT NUMBER {Contracts.ContractNumber}**

**{{Projects.Name}}**  
**{{Projects.Address}}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

1. The Project Schedule is attached and entitled {Contracts.Udf Schedule Title}, dated {Contracts.Udf Schedule Date}, {Contracts.Udf Schedule Pages} pages.

**- END OF ATTACHMENT 4 -**

{{ToCompany.Name}}  
Initials /

{Projects.Name}

{Contracts.ContractDate}  
Attachment 4

**ATTACHMENT 5  
DPR ENVIRONMENTAL HEALTH AND SAFETY PLAN  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
( {ToCompany.Name} ">")  
SUBCONTRACT NUMBER {Contracts.ContractNumber}**

**{Projects.Name}  
{Projects.Address}  
DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

1. The DPR Environmental Health and Safety Plan, Rev 6, Jan 2005, is hereby attached and made a part of this Attachment 5 as if fully set forth herein.

**- END OF ATTACHMENT 5 -**

{ToCompany.Name}  
Initials /

{Projects.Name}

{Contracts.ContractDate}  
Attachment 5

**ATTACHMENT A  
INSURANCE REQUIREMENTS  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
(**{ToCompany.Name}** ">")  
SUBCONTRACT NUMBER **{Contracts.ContractNumber}****

**{Projects.Name}**  
**{Projects.Address}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

Immediately send a copy of this information to your insurance broker for compliance.

- 1.0 Subcontractor shall, at its own expense, maintain in effect at all times during the performance of the work under the Subcontract not less than the following coverage and limits of insurance which shall be maintained under forms of policies and from companies satisfactory to the Contractor and Owner. Any insurance policy that contains Deductibles or Self Insured Retentions (SIR) in excess of \$25,000 per occurrence shall not be acceptable without the prior approval of DPR Construction. The insurance company must have a financial rating of at least A-VII as defined by A.M. Best Company. Copies of policies shall be provided when requested.
- 2.0 Workers' Compensation and Employer's Liability Insurance. Workers' Compensation insurance shall be provided as required by any applicable law or regulation. A waiver of subrogation is required. See sample of waiver attached. Employer's Liability Insurance shall be provided in amounts not less than:

\$1,000,000 each accident for bodily injury by accident  
\$1,000,000 policy limit for bodily injury by disease  
\$1,000,000 each employee for bodily injury by disease

If there is an exposure of injury to Subcontractor's employees under the U. S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

- 3.0 General Liability Insurance. Subcontractor shall carry Commercial General Liability insurance covering operations by or on behalf of Subcontractor, providing insurance for bodily injury liability and property damage liability for at least the minimum limits of liability indicated below and including coverage for:
- (1) premises and operations;
  - (2) products and completed operations;
  - (3) broad-form contractual liability;
  - (4) broad-form property damage (including completed operations);
  - (5) explosion, collapse and underground hazards;
  - (6) personal injury liability/advertising injury;
- 3.1 A waiver of subrogation is required. See sample of waiver attached.
- 3.2 A "claims-made" policy form is not acceptable.
- 3.3 A "modified occurrence" policy is not acceptable.

**{ToCompany.Name}**  
Initials /

**{Projects.Name}**

**{Contracts.ContractDate}**  
Attachment A

### 3.4 Minimum Limits of Liability.

#### 3.4.1 Commercial General Liability Form:

\$2,000,000 each occurrence Bodily Injury and Property Damage  
 \$2,000,000 Personal Injury  
 \$2,000,000 aggregate for Products - Completed operations  
 \$2,000,000 general aggregate

3.5 Per Project Aggregate. The policy must have an endorsement providing that the general aggregate limit applies separately to this project. If a per-project aggregate is not provided, the total limit of liability (per occurrence) shall be \$5,000,000. The above limits can be satisfied by either providing a primary policy or in combination with an excess liability policy.

4.0 Automobile Liability Insurance. Subcontractor shall carry automobile liability insurance, including coverage for all owned, hired and non-owned automobiles. The limits of liability shall be not less than \$2,000,000 combined single limit each accident for bodily injury and property damage. This limit can be satisfied by either providing a primary policy or in combination with an excess liability policy.

5.0 Certificates of Insurance. Certificates of Insurance, as evidence of all insurance required by this Agreement, shall be furnished by Subcontractor to Contractor before any work hereunder is commenced by Subcontractor. The Certificates of Insurance shall provide that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to Contractor. The words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be crossed out on the certificate.

5.1 Certificates, including additional insured endorsement, shall be furnished for five (5) years following completion of the project.

6.0 Additional Insured Endorsement and Primary Insurance Clause. The Bodily Injury and Property Damage Liability policies shall include a provision or endorsement, at least as broad as the CG2010 07 04, in combination with the CG2037 07 04, as published by Insurance Services Offices (ISO), naming as additional insured any person or organization for whom Subcontractor is required by written subcontract agreement or permit to name. The endorsement shall also provide that such insurance is primary insurance with respect to the interest of the Contractor and Owner and that any other insurance maintained by the Contractor and Owner is excess and not contributing insurance with the insurance requirement hereunder.

Samples of Policy Endorsements are attached hereto.

7.0 Insurance Requirements for Sub-subcontractors. The Subcontractor shall ensure that all tiers of their Subcontractors shall procure and maintain insurance in like form and amounts including the Additional Insured requirements, all as set forth in Paragraph 3.0. Copies of the certificate must be provided prior to the sub-subcontractors entering the site.

8.0 Aircraft Insurance. If the Subcontractor or their Subcontractors use any owned, leased, chartered or hired aircraft of any type (including helicopters) in the performance of this Subcontract, they shall maintain aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence including Passenger Liability. Evidence of coverage in the form of a Certificate of Insurance shall be provided prior to the start of work.

9.0 Professional Liability Exposures. A \$2,000,000 Professional Liability insurance policy shall be carried if Subcontractor or their subcontractor is to provide any professional services, including but not limited to, design or design/build services to the project. Evidence of coverage in the form of a Certificate of Insurance shall be provided prior to the start of work.

{ToCompany.Name}  
 Initials /

{Projects.Name}

{Contracts.ContractDate}  
 Attachment A

10.0 Hazardous Materials/Pollution Liability/Mold Coverage.

- 10.1 Subcontractor shall provide a “Contractors Pollution Liability” policy with minimum limits of \$2,000,000, with continuing coverage after project completion in accordance with subsection 5.1.
- 10.2 Mold Coverage. Subcontractor’s Pollution liability policy to include coverage for mold or fungus with limits of \$2,000,000 if any of Subcontractor’s Work includes or directly or indirectly impacts any of the work scopes as defined in this subsection 10.2.
- 10.2.1 All work which could in any way contribute to or cause moisture to be introduced into the interior of the building, either by construction, sealing or penetrating any portion of the building’s exterior envelope or releasing moisture within the building, are required to have the above coverage for mold insurance. These include but not limited to the following:
- 10.2.1.1 Exterior Envelopes (envelope areas are defined as including all above and below ground exteriors of the building or facility, be they vertical, horizontal or angled surfaces) related work may include but not limited to scopes such as masonry, cast-in-place concrete (including slab on grade, elevator or other pits or shafts), pre-cast concrete, gunite, shotcrete, plaster, drywall (exterior gypsum sheathing and building paper), marble or stone facades, EIFS, metal panel, glass & glazing, exterior insulating, roofing, skylights, louvers, exterior doors (all types), sheet metal and flashing, expansion joints, any form of waterproofing and or dampproofing, caulking and sealants, etc.
- 10.2.1.2 All systems which directly or indirectly involve water retention, generation or conveying work within or in close proximity to the building such as plumbing, HVAC, fire sprinkler and process piping and the controls of their wet systems, below slab mechanical, sump pits, tanks, site utilities and/or irrigation systems (near, attaching to or penetrating the building), etc.
- 10.2.1.3 All scopes that may penetrate or seal penetrations of the exterior envelopes such as equipment roof supports, satellite dishes, photovoltaic panels, handrails, trellises, miscellaneous or ornamental metal, signage and subcontractors who seal their own exterior penetrations.
- 10.3 Hazardous Materials Remediation. In addition, if Subcontractor’s Work includes remediating of hazardous materials, including but not limited to, asbestos containing materials, silica, lead, PCBs, contaminated soils, etc., they must carry a “Contractor’s Pollution Liability” policy which covers liability therefor, with limits not less than \$2,000,000 and not less than \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, naming Contractor as additional Insured. Subcontractor shall also require any of its subcontractors performing such operations to provide the insurance required hereunder.
- 10.4 Automobile Pollution Liability. If Subcontractor or their subcontractors haul hazardous waste they must carry Automobile Liability Insurance with a \$2,000,000 combined single limit for Bodily Injury and Property Damage applicable to all hazardous waste hauling vehicles and include MCS 90 coverage.

- 11.0 Builders Risk Insurance. Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder’s Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

Upon written request of Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder’s Risk policy of insurance or any other property or equipment insurance in force for the project and procured

{ToCompany.Name}  
Initials /

{Projects.Name}

{Contracts.ContractDate}  
Attachment A

by Contractor. Subcontractor shall satisfy itself as to the existence and extent of such insurance prior to commencement of Subcontractor's work.

If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to Subcontractor's work and/or damage to other work caused by Subcontractor.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Subcontract Documents, Subcontractor shall procure and maintain at its own expense property and equipment insurance for portions of Subcontractor's work stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor may procure such insurance at its own expense as will protect the interests of Subcontractor and its subcontractors in the work. Such insurance shall also apply to any of Owner's or Contractor's property in the care, custody or control of Subcontractor.

## 12.0 Crane Services/Hoisting, Lifting, Riggers Liability

12.1 Crane Services Liability. Should Subcontractor's work include providing of Crane Services, either by directly or by contract with a subcontractor, then, then the Subcontractor shall carry "Commercial General Liability Insurance", with minimum limits of liability of \$10,000,000 Per Occurrence to insure against bodily injury and property damage for such operations. Insurance coverage shall be subject to the same requirements pursuant to Sections 3.0 through 3.3. Subcontractor shall be responsible for ensuring that sub tier contractor(s) will also comply with these same insurance requirements for Crane Services. Evidence of coverage shall be provided in the form of a Certificate of Insurance pursuant to Section 5.0. Subcontractor's retention under such policy shall not be more than \$100,000 without the express written authorization of Contractor.

12.2 Hoisting, Lifting, Riggers Liability. Should Subcontractor's work involve the rigging, hoisting, lifting of property, Subcontractor shall carry "Riggers Liability Insurance (for hoisting, lifting, etc.), with minimum limits of liability of \$1,000,000. to insure against physical loss or damage to the property being lifted. Evidence of coverage shall be provided in the form of a Certificate of Insurance pursuant to Section 5.0. Subcontractor's retention under such policy shall not be more than \$100,000 without the express written authorization of Contractor.

13.0 Acceptance by Contractor. The required insurance shall be subject to the approval of Contractor. Any acceptance of Certificates of Insurance by Contractor, or failure of Subcontractor to provide Certificates of Insurance, shall in no way limit or relieve Subcontractor of its duties and responsibilities in this Agreement. If higher limits or other forms of insurance are required in the Subcontract Documents, Subcontractor will comply with such requirements.

14.0 Excess Liability. The above limits can be met by either providing a primary policy or in combination with an excess liability policy.

{ToCompany.Name}  
Initials /

{Projects.Name}

{Contracts.ContractDate}  
Attachment A

ISO I Commercial General Liability Forms I 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY****CG 20 37 07 04****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART****SCHEDULE****Name Of Additional Insured Person(s)  
Or Organization(s):****Location And Description Of Completed Operations**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Section II — Who Is An insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury” or “property damage” caused, in whole or in part, by “your work” at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the “products-completed operations hazard”

G 20 37 07 04  
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{ToCompany.Name}  
Initials /

{Project.Name}

{Contracts.ContractDate}  
Attachment A

ISO I Commercial General Liability Forms I 07/01/04  
POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY**  
**CG 20 10 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

**Name Of Additional Insured Person(s)  
Or Organization(s):**

**Location(s) Of Covered Operations**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II — Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;  
in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to “bodily injury” or “property damage” occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of “your work” out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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{ToCompany.Name}  
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{Project.Name}

{Contracts.ContractDate}  
Attachment A



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

**WC 00 03 13**

**2nd Reprint**

Effective April 1, 1984

**Advisory**

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Where required by Written Contract

© 1983 National Council on Compensation Insurance, Inc.

**POLICY NUMBER:**

**COMMERCIAL GENERAL LIABILITY**

{ToCompany.Name}  
Initials /

{Project.Name}

{Contracts.ContractDate}  
Attachment A

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY,  
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:  
WHERE REQUIRED BY AN INSURED CONTRACT

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

CG 24 04 10 93

Copyright, Insurance Services Office, Inc.,

1992

{ToCompany.Name}  
Initials /

{Projects.Name}

{Contracts.ContractDate}  
Attachment A

**ATTACHMENT B  
SUBCONTRACTOR BILLING PACKAGE  
TO THE SUBCONTRACT AGREEMENT BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
(**{ToCompany.Name}** ">")  
SUBCONTRACT NUMBER **{Contracts.ContractNumber}****

**{Projects.Name}**  
**{Projects.Address}**  
**DPR Job #: {Projects.Number}**

This Attachment is attached and incorporated into the above referenced Subcontract Agreement between the parties, as the parties desire to amend said document. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Attachment and those of the above referenced Subcontract Agreement between the parties, this Attachment shall govern.

1. The Subcontractor Billing Package is attached, dated {Contracts.Udf Billing Pack Date}, {Contracts.Udf Billing Pack Pages} pages.

**- END OF ATTACHMENT B -**

**{ToCompany.Name}**  
Initials /

**{Projects.Name}**

**{Contracts.ContractDate}**  
Attachment B

**ADDITIONAL INSURED  
FOR THE INSURANCE REQUIREMENTS  
OF SUBCONTRACT NO. {Contracts.ContractNumber}, BETWEEN  
DPR CONSTRUCTION, INC.  
AND  
({{ToCompany.Name}} ">")**

**Additional Insured Endorsement – COMMERCIAL GENERAL LIABILITY COVERAGE**

**Name Of Additional Insured Person(s) or Organization(s):**

{Contracts.Udf Add Insured}

The above are named as additional insured under this policy, but only with respect to liability arising out of operations performed under this Subcontract, for the project known as:

Project Name: {Projects.Name}  
Address: {Projects.Address}  
DPR Job #: {Projects.Number}

**- END OF ADDITIONAL INSURED ATTACHMENT -**

{ToCompany.Name}  
Initials /

{Projects.Name}

{Contracts.ContractDate}  
Additional Insureds

**EXHIBIT “H”****DPR Purchase Order**

{Projects.Name}

DPR Job No.: {Project.Number}

P. O. No.: {Contracts.ContractNumber}

Phase Code(s): {Contracts.Exhibits}

This Purchase Order (“Agreement”) is made as of {Contracts.ContractDate}, (“Effective Date”), between DPR Construction, Inc., a California corporation (“Buyer”), and {ToCompany.Name} (Seller) in connection with the Prime Contract for the Project, dated {LegalDocInfo.ContractDate} with the Owner.

**BUYER**

DPR Construction, Inc., {Contracts.Udf\_DPR\_Region} Regional Office  
 {Contracts.Udf\_Region\_Address}

**SELLER**

{ToCompany.Name}  
 {ToContact.DisplayAddress}  
 Phone: {To.Contact.Tel}, Fax: {To.Contact.Fax}  
 Vendor No.: {ToCompany.CompanyID}

**OWNER**

{LegalDocInfo.Owner}  
 {LegalDocInfo.OwnerAddr1}  
 {LegalDocInfo.OwnerAddr2}

**PROJECT**

{Projects.Name}  
 {Projects.Address}

**ARCHITECT**

{LegalDocInfo.Arch.Name}  
 {LegalDocInfo.Arch.Addr1}  
 {LegalDocInfo.Arch.Addr2}

**THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH AN ATTORNEY IS  
 ENCOURAGED WITH RESPECT TO ITS USE OR MODIFICATION. SOME CONSTRUCTION PRIME CONTRACTS MAY  
 REQUIRE THE USE OF SPECIALIZED PROVISIONS NOT INCLUDED IN THIS FORM.**

{ToCompany.Name}  
 Initials /

{Projects.Name}

{Contracts.ContractDate}  
 Purchase Order

1. **MATERIAL TO BE PROVIDED:** Seller shall furnish the goods and material described below at the price or prices set forth opposite each item within the times stated below in accordance with the terms and provisions of the Prime Contract.

| Item                            | Description & Estimated Quantity | Job No.                          | Phase Code                       | Net Price                        | Sales Tax                        | Freight                          | Total*                           | Delivery Date                    |
|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| {Contract SchedOfValues.Descrip | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ | {Contract SchedOfValues.Udf_Job_ |
| Item                            | Number                           | Number                           | Code                             | Price                            | Tax                              | Freight                          | Total                            | Delivery Date                    |

**Total:**

**{Contracts.Orig Value}**

\* Approximate Amount of Material Contract (Based on Estimated Quantity)

Ship to: {Projects.Address}

Via:

Mark:

Deliver F.O.B. Destination, Freight Prepaid and Allowed, to: Job Site

Mail Invoices in Triplicate to: DPR Construction, Inc.

Terms: Payment within 10 days from payment from Owner.

2. **ENTIRE AGREEMENT:** This Purchase Order is the entire agreement between DPR and Seller with respect to the goods and materials and the Project, and supersedes all proposals, negotiations, stipulations, understandings, agreements, representations and warranties, if any, between Buyer and Seller with respect to the goods and materials and the Project which precede or accompany the execution of this Agreement. This Purchase Order consists of this Agreement,, the Attachments listed in this Section 2 and the applicable terms, conditions, plans and specifications of the Prime Contract. Seller's acceptance is limited to the terms and conditions contained in this Purchase Order. Commencing performance or making deliveries or any acknowledgement of this Agreement by Seller shall constitute an acceptance of the terms of this Agreement by Seller. Buyer is to be bound only by the terms and conditions of this Purchase Order. Purchase Order Attachments are:
- Attachment 1. {Contracts.Udf Add Attach1},
  - Attachment 2. {Contracts.Udf A dd Attach2}.
3. **CHANGES AND RIGHT TO TERMINATE:** Changes will be binding on Buyer only if in writing and signed by the Buyer.
- Buyer, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or drawings, changes in the time of delivery, or termination. Buyer may terminate or suspend, at its convenience, all or any portion of this order not shipped as of the date of termination or suspension of Seller's right to proceed with this Purchase Order. In the event of any change or termination, there shall be an equitable price adjustment by Buyer. If Seller maintains that Buyer's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provision of this Agreement. However, if unit prices have been designated as to materials maintained in the normal course of Seller's business as standard stock, such unit prices shall control all price adjustments for quantity changes. No change or termination shall relieve Buyer or Seller of any of their obligations as to any material shipped prior to Seller's receipt of the change, termination or suspension order. Any claim for adjustment by Seller hereunder must be asserted in writing within ten (10) days from Notice of the change or termination.
  - If the Owner shall order the Buyer to change, adjust, substitute, add to, delete from, suspend, or terminate the work included in this Purchase Order, Seller shall comply with Owner's order and the price or time of performance hereunder shall only be adjusted as allowed by Owner. If requested by Owner, Seller agrees to be bound to, and by, the dispute resolution procedure of the Prime Contract.
  - In the event of a termination for default, Buyer may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Seller liable for any and all excess costs incurred, including attorneys' fees and experts' and consultants' fees actually incurred.
4. **PAYMENT:** The price herein specified shall, unless otherwise expressly stated within the terms of this Agreement, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with respect to the production, sale, use or shipment of the materials covered by this agreement, and all charges for packing, loading, insurance, shipping and unloading. Transportation costs are

{ToCompany.Name}  
Initials \_\_\_\_\_/ \_\_\_\_\_

{Projects.Name}

{Contracts.ContractDate}  
Purchase Order

designated as part of the cost of the Seller and are only to be compensated for actual costs. Any and all damage to the goods and materials, until acceptance by Buyer at destination, shall be for the account of the Seller.

Seller's invoice shall set forth the items delivered to the project site, the date of delivery, and the unit cost and total costs of the items invoiced. Seller's right to payment is subject to the same payment provisions enforced upon Buyer by the terms of the Prime Contract. Buyer agrees to pay the seller for goods and materials actually delivered to the named destination under this Agreement, from funds received by Buyer, from Owner, for work of Seller as referenced in Buyer's Payment Applications, except payments withheld due to culpable acts or omissions of Buyer.

5. **RISK OF LOSS:** Notwithstanding the terms of shipment, the risk of loss shall pass to Buyer only after delivery and acceptance by Buyer at the named destination.
6. **DELIVERY:** Time is of the essence of this Agreement. If no delivery date is specified on the face of this order, all deliveries of materials shall conform to the date or dates specified in writing from time to time by Buyer's representative. Should delivery for any reason fail to be timely, Seller shall be liable for all damages suffered by Buyer as a result of such failure, including, without limitation, any liquidated or other damages under Buyer's Prime Contract. In no event shall Seller be entitled to an extension beyond that allowed to Buyer under the terms of the Prime Contract.
7. **DEFAULTS:** If Seller fails to perform any of its obligations hereunder, Buyer shall be entitled to all remedies provided by law. If Seller becomes insolvent or makes an assignment for the benefit of creditors, or files or becomes subject to receivership or reorganization or bankruptcy proceedings, or becomes involved in labor difficulties, which in Buyer's opinion threaten Seller's ability to perform in a timely manner, Buyer may, in addition to any other rights or remedies it may have hereunder or at law, terminate the purchase order upon written notice to Seller; such termination shall be deemed a termination for default. Buyer's failure to notify Seller of a rejection of nonconforming materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar Buyer from pursuing any remedies for breach which it may otherwise have.
8. **INSPECTION:** Buyer shall have the right to inspect and test the materials at Seller's plant anytime prior to shipment and to conduct additional inspections at any time after arrival at the job site. The making or failure to make any inspection of, or payment for or acceptance of, the materials shall not impair Buyer's right to later reject nonconforming materials, or to avail itself of any other remedy to which Buyer may be entitled, notwithstanding Buyer's knowledge of the nonconformity, its substantiality, or the ease of its discovery. Seller shall be liable for all additional inspection, reshipment and return costs on nonconforming materials. Seller shall not replace returned materials unless so directed by Buyer in writing.
9. **WARRANTIES:** Seller warrants to Buyer that it has fully reviewed the Attachments, specifications, drawings, samples or other descriptions contained in this Agreement and in the Prime Contract. Seller warrants to Owner, Architect, and Buyer that all materials and equipment furnished shall be new, unless otherwise explicitly specified in the Purchase Order Documents and that all Work shall be of good quality, free from faults and defects and shall be fit and appropriate for the purpose intended and in full conformance with the Attachments, specifications, performance standards, drawings, samples or other descriptions contained herein or in the Prime Contract for the period set forth in the Prime Contract. All Work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective. The warranty provided in this Section 9 shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Purchase Order Documents. The representations and warranties in this Section 9 shall survive the termination or completion of this Agreement. In addition to the foregoing warranties, Seller shall be required to provide all warranties required in the Prime Contract to be provided by Buyer that relate, in any manner, to the Seller's Work.
10. **INFRINGEMENT:** Seller shall pay all royalties and licensing fees arising in connection with the sale or use of materials hereunder. Seller further undertakes and agrees to defend, at Seller's expense, all suits, actions or proceedings in which Buyer, its successors, assigns, customers or users of its customer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent, copyrights or trademarks resulting from the use or purchase of any materials furnished under this Agreement, and Seller agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.
11. **COMPLIANCE:** Seller's performance shall in all ways strictly conform with all applicable laws, regulations, safety orders, labor agreements and working conditions to which it is subject, including, but not limited to, all State, Federal and local non-discrimination in employment provisions, and all applicable provisions required by the Prime Contract and by Buyer's own internal safety program, and all local regulations and building codes. Seller shall execute and deliver all documents as may be required to effect or evidence compliance.
12. **INDEMNITY:** Seller assumes all risk in furnishing the materials and services ordered hereunder, and will indemnify, hold harmless and defend Buyer and Owner against any and all losses, damages, liabilities and claims of any kind whatsoever, including actual attorneys' fees and experts' or consultants' fees, which arise directly or indirectly out of the performance or nonperformance of this purchase order including, but not limited to, losses of any materials ordered hereunder and injuries to property and to persons, including death. This indemnity applies regardless of any active



Initials \_\_\_\_\_ / \_\_\_\_\_

Purchase Order

and/or passive negligent act or omission of Buyer or Owner or their agents or employees Seller, however, shall not be obligated under this Agreement to indemnify Buyer or Owner for the sole negligence or willful misconduct of Buyer or Owner or their agents or employees. The indemnity set forth in this paragraph shall not be limited by the insurance requirements set forth in Paragraph 15.

- 13. ASSIGNMENTS, SETOFF:** Any delegation, subletting or assignment by operation of law or otherwise, of all or any portion of the obligations to be performed by Seller without the prior written consent of Buyer shall be void. In the event of any transfer, hypothecation or assignment by Seller, without Buyer's consent, of the right to receive all or any part of any payments due or to become due hereunder, Buyer may, at any time thereafter withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such payment are satisfied. Buyer may, at its option setoff any amounts otherwise due from Buyer to Seller under this purchase order against any delinquent amounts or liabilities which are due to Buyer or its commonly controlled affiliates from Seller.
- 14. APPLICABLE LAW – DEFINITIONS:** The definitions of terms used, interpretation of this Agreement and the rights of all parties hereunder, shall be governed by, and shall be interpreted in accordance with the laws of the state and locality in which the project is located without regard to any state's choice or conflict of law statutes. Whenever Buyer is not the ultimate consumer of the materials, all rights, benefits and remedies conferred upon Buyer hereunder shall accrue and be available to and are for the express benefit of any successors in interest to the materials, including the ultimate consumer of the materials. The materials means the supplies, drawings, data and other property and all services, including design, delivery, installation, inspection and testing specified or required to furnish the materials or services ordered.
- 15. INSURANCE AND CLAIMS:** If Seller or its employees or agents come onto Buyer's premises or project in connection with this purchase order, Seller agrees to carry (i) Comprehensive General Liability Insurance covering personal injuries (including death) in the amount of \$1,000,000.00 per occurrence, and (ii) automobile liability insurance covering bodily injuries (including death) in the amount of \$1,000,000.00 per person, and \$1,000,000.00 per occurrence, property damage in the amount of \$1,000,000.00 per occurrence, and products liability in the amount of \$1,000,000.00. Seller further agrees to provide and maintain Workers' Compensation Insurance in conformity with the laws of the state in which such premises or project is located and Employer's Liability Insurance in the amount of \$500,000.00 per occurrence. If requested by Buyer, Seller shall submit written proof of such insurance to Buyer prior to entrance on Buyer's premises or project. Seller shall supply such bonds as are required by Buyer.
- 16. COMPLIANCE WITH LICENSE LAW:** Sellers shall have all licenses required by the appropriate authorized authority, and maintain said licenses during the full term of this purchase order.
- 17. DISPUTES:** Buyer may, at its sole option, elect to arbitrate any dispute, the value of which is less than \$50,000.00, arising out of or related to this purchase order or the breach thereof, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. The existence of a dispute between Buyer and Seller, not involving a material default by Buyer in performance of a condition precedent to Seller's performance, shall not relieve Seller of its obligation to perform under this Agreement. In the event either party becomes involved in litigation or arbitration arising out of this Agreement, the prevailing party shall be fully compensated for the cost of its participation in such proceedings, including the cost incurred for attorneys' fees and experts' fees. Unless judgment goes by default, the attorneys' fee awarded shall not be computed in accordance with any court schedule, but shall be such as to fully reimburse all attorneys' fees actually incurred in good faith, regardless of the size of a judgment, it being the intention of the parties to fully compensate for all attorneys' fees and experts' fees paid or incurred in good faith. Disputes not arbitrated pursuant to this provision shall be litigated.

**BUYER:**

DPR CONSTRUCTION, INC.

(Signature)

{Contracts.FromSignedBy}

{ToCompany.Name}  
Initials \_\_\_\_\_ / \_\_\_\_\_

**SELLER:**

{{ToCompany.Name}} ">"

(Signature)

{Contracts.ToSignedBy}

{Projects.Name}

{Contracts.ContractDate}  
Purchase Order

**EXHIBIT I**

Project Schedule

See Tab 6 of Exhibit D

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**United Therapeutics Corporation**  
**Ratio of Earnings to Fixed Charges**  
**(Unaudited)**

|                                                                   | Three<br>Months<br>Ended<br>March 31, | Years Ended December 31, |           |           |             |
|-------------------------------------------------------------------|---------------------------------------|--------------------------|-----------|-----------|-------------|
|                                                                   | 2007                                  | 2006                     | 2005      | 2004      | 2003        |
|                                                                   | (in thousands, except ratio)          |                          |           |           |             |
| Earnings (losses) from continuing operations before fixed charges | \$ (7,505)                            | \$ 28,982                | \$ 42,893 | \$ 13,209 | \$ (11,526) |
| Fixed charges                                                     |                                       |                          |           |           |             |
| Interest expenses, net of capitalized interest                    | \$ 711                                | \$ 482                   | \$ 29     | \$ 3      | \$ 112      |
| Capitalized interest                                              | —                                     | —                        | —         | —         | —           |
| Portion of rentals representative of interest factor              | 472                                   | 1,172                    | —         | —         | —           |
| Total fixed charges                                               | 1,183                                 | 1,654                    | 29        | 3         | 112         |
| Ratio of earnings to fixed charges                                | —                                     | 17.52                    | 1,479.07  | 4,403.00  | —           |
| Excess fixed charges over earnings                                | \$ 8,688                              | \$ —                     | \$ —      | \$ —      | \$ 11,638   |

NOTE: The Ratio of Earnings to Fixed Charges should be read in conjunction with the Consolidated Financial Statements and related Notes and Management's Discussion and Analysis of Financial Condition and Results of Operations in United Therapeutics Corporation's Annual Report on Form 10-K for the year ended December 31, 2006 and the Quarterly Report on Form 10-Q for the three months ended March 31, 2007.

**CERTIFICATION PURSUANT TO RULE 13a-14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Martine A. Rothblatt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Therapeutics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2007

/s/ MARTINE A. ROTHBLATT

By: Martine A. Rothblatt

Title: *Chairman and Chief Executive Officer*

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**CERTIFICATION PURSUANT TO RULE 13a-14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, John M. Ferrari, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Therapeutics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2007

/s/ JOHN M. FERRARI

By: John M. Ferrari

Title: Chief Financial Officer and Treasurer

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of United Therapeutics Corporation (the "Company") on Form 10-Q for the period ended March 31, 2007, as filed with the Securities and Exchange Commission (the "Report"), I, Martine A. Rothblatt, Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 3, 2007

/s/ MARTINE A. ROTHBLATT  
Martine A. Rothblatt  
*Chairman and Chief Executive Officer*  
*United Therapeutics Corporation*

THE FOREGOING CERTIFICATION IS BEING FURNISHED SOLELY PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 AND IS NOT BEING FILED AS PART OF THE FORM 10-Q OR AS A SEPARATE DISCLOSURE DOCUMENT.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, OR OTHER DOCUMENT AUTHENTICATING, ACKNOWLEDGING, OR OTHERWISE ADOPTING THE SIGNATURE THAT APPEARS IN TYPED FORM WITHIN THE ELECTRONIC VERSION OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, HAS BEEN PROVIDED TO UNITED THERAPEUTICS CORPORATION AND WILL BE RETAINED BY UNITED THERAPEUTICS CORPORATION AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of United Therapeutics Corporation (the "Company") on Form 10-Q for the period ended March 31, 2007, as filed with the Securities and Exchange Commission (the "Report"), I, John M. Ferrari, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 3, 2007

/s/ JOHN M. FERRARI  
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John M. Ferrari  
*Chief Financial Officer and Treasurer*  
*United Therapeutics Corporation*

THE FOREGOING CERTIFICATION IS BEING FURNISHED SOLELY PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 AND IS NOT BEING FILED AS PART OF THE FORM 10-Q OR AS A SEPARATE DISCLOSURE DOCUMENT.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, OR OTHER DOCUMENT AUTHENTICATING, ACKNOWLEDGING, OR OTHERWISE ADOPTING THE SIGNATURE THAT APPEARS IN TYPED FORM WITHIN THE ELECTRONIC VERSION OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, HAS BEEN PROVIDED TO UNITED THERAPEUTICS CORPORATION AND WILL BE RETAINED BY UNITED THERAPEUTICS CORPORATION AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

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