

*Owner May Terminate for Cause*

A. Owner may terminate the Contract for cause if Contractor:

1. refuses or fails to supply enough properly skilled workers or proper materials;
2. fails to make payment to Subcontractors or suppliers for materials or labor in accordance with the respective agreements between Contractor and the Subcontractors;
3. disregards applicable Laws or Regulations;
4. otherwise materially breaches a provision of the Contract Documents;
5. fails to abide by the Progress Schedule, and fails within three (3) days after receipt of written notice to correct any scheduling problems or provide required scheduling information; or
6. Contractor or any of its Subcontractors or suppliers is suspended or debarred by the Commonwealth of Pennsylvania, any other state, or the federal government.

B. If one or more of the events identified in the preceding paragraph A. occurs, Owner may, after giving Contractor (and surety) seven days written notice of its intent to terminate the services of Contractor:

1. exclude Contractor from the Site, and take possession of the Work and of all Contractor's tools, appliances, construction equipment, and machinery at the Site, and use the same to the full extent they could be used by Contractor (without liability to Contractor for trespass or conversion);
2. incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere; and
3. complete the Work as Owner may deem expedient.

C. If Owner proceeds as provided in Paragraph B, above, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Owner arising out of or relating to completing the Work, such excess will be paid to Contractor no later than 45 days after the Owner has tabulated and paid all of the aforesaid expenses. If such claims, costs, losses, and damages exceed such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies

under this Paragraph, Owner shall not be required to obtain the lowest price for the Work performed. This paragraph shall survive the expiration or sooner termination of the Agreement.

D. Notwithstanding Paragraphs B and C, above, Contractor's services will not be terminated if Contractor cures such failure within seven (7) days of receipt of notice of intent to terminate. Owner may then terminate the Contract at any time after the expiration of such seven (7) day cure period if Contractor does not cure such failure during the cure period. However, if Owner reasonably deems that such failure cannot be cured within such seven (7) day cure period, Owner may terminate the Contract with immediate effect.

E. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue. Any retention or payment of moneys due Contractor by Owner will not release Contractor from liability.

*Owner May Terminate For Convenience*

A. Upon seven days written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):

1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;
3. all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and
4. reasonable expenses directly attributable to termination.

B. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.