Regular Business and Truth-in-Taxation Meeting

Tuesday, December 13, 2022 6:00 PM
Board Assembly Room, 1250 West Broadway Avenue, Minneapolis, Minnesota 55411

1) **Call to Order and Roll Call**

2) **Adoption of the Agenda**

3) **Acceptance of Minutes**

3)a. November 15, 2022

4) **Public Comments on the Property Tax Levy (Truth-in-Taxation Hearing)**

5) **Public Comments**

6) **Recess**

7) **Fiscal Year 2021-2022 Financial Audit**

8) **Reports and Recommendations from the Superintendent of Schools**

8)a. Current Year Budget Update and Proposed Property Tax Levy Overview

8)b. Budget Pro-Forma

9) **Policy Committee Report**

9)a. Repeal of Policy 7420: Bonded Indebtedness (2023-0001)

10) **Action Items by the Board of Education**

10)a. Approval of the Consent Agenda

10)a.1. Personnel Items

10)a.1.a. Approval of List A personnel matters (2022-12-ER-A)

10)a.1.b. Approval of List B personnel matters (2022-12-ER-B)

10)a.2. Contracts

10)a.2.a. Authorization to contract with Insight Public Sector

10)a.2.b. Amendment to contract 2022-13902 with Miller Dunwiddie Architecture

10)a.2.c. Contract with PFM Financial Advisors (2022-4400001635)

10)a.2.d. Contract with Rift Valley Transportation Inc (2022-13904)

10)a.2.e. Contract with Shaw Lundquist (2022-13889)

10)a.2.f. Amendment to contract 2022-13909 with Sheehy Construction

10)a.2.g. Amendment to contract 2022-13897 with Sheehy Construction

10)a.2.h. Contract with Sheehy Construction (2022-13900)
10)a.2.i. Amendment to Sunbelt Staffing 2022-4400001417
10)a.2.j. Amendment to contract 2022-13910 with United Transportation Services LLC
10)a.3. Resolutions

10)a.3.a. Resolution Acknowledging Receipt of the Fiscal Year 2021-2022 Financial Audit (2022-0072)
10)b. Certification of Final Property Tax Levies 2022 Payable 2023 (2022-0070)
10)c. Budget Amendment (2022-0071)

10)d. Revision of Policy 3290: Debt: Purposes And Limitations (2022-0060)
10)e. Revision of Policy 6682: Emergency Health Care and Adoption of Policy 6693: DNR-DNI Orders (2022-0061)
10)f. Resolution Modifying Certain School Start and End Times and Requiring an Update on CTE Programming Implementation (2022-0074)
10)g. Adopting the 2023 Legislative Agenda (2022-0073)
11) **New Business**

12) **Remarks from Outgoing Board Members and Student Representatives**
13) **Adjournment**

Minneapolis Public Schools – Board of Education
Special School District No. 1
Business Meeting
November 15, 2022

I. CALL TO ORDER

Call to Order of the Board of Education. Pursuant to due notice mailed to each member of the Board of Education not less than three days prior to the time of such meeting, the Board members met in a regular meeting at the John B. Davis Educational Services Center November 15, 2022, commencing at 5:30 pm. Chair Ellison called the meeting to order.

I. ROLL CALL

Present: Directors: Jenny Arneson, Sharon El-Amin, Siad Ali, Adriana Cerrillo, Nelson Inz, Ira Jourdain, Cindy Booker, Kimberly Caprini, Kim Ellison, Student Representative Wesson, Student Representative Austin (joined after roll-call), Interim Superintendent Rochelle Cox – 12

II. APPROVAL OF THE AGENDA

MOTION: Director Arneson moved, seconded by Director Caprini that the Board of Education, Special School District No. 1, approve the Agenda for November 15, 2022. Motion to approve the agenda was put to a vote and carried out unanimously.

III. CANVASS OF ELECTION – ATTACHMENT 1

MOTION: Director Caprini moved, seconded by Director Arneson that the Board of Education, Special School District No. 1, approve the resolution Canvassing the Votes for the November 8, 2022 General Election. Motion to approve the resolution was put to a vote and carried out unanimously.

IV. ACCEPTANCE OF MINUTES

MOTION: Director Inz moved, seconded by Director Caprini that the Board of Education, Special School District No. 1, approve the Minutes from October 11, 2022. Motion to approve the Minutes was put to a vote and carried out unanimously.

V. RECOGNITIONS:

Interim Superintendent Rochelle Cox recognized two MPS athletes for their recent accomplishments: Southwest Junior Sam Scott placed second in the five-kilometer race at St. Olaf College with an impressive time of 15 minutes and 15 seconds and Washburn Senior Aidan Jones won the race with a time of 15 minutes, 11 seconds. Aidan followed that performance at the Heartland Regional Championship where he ran the 10th fastest 5k time in Minnesota history, and the second fastest time by a Minneapolis Public Schools runner ever, at 15 minutes and 1 second. Interim Superintendent Cox also recognized the 2022-2023 Minnesota Educational Support Professional of the Year, Ms. KimEl' Henry from Andersen United Middle School.

VI. RECESS – PHOTOS WITH THOSE RECOGNIZED

DRAFT

VII. **PUBLIC COMMENTS**

Comments given in-person

VIII. **RECESS**

IX. **REPORTS AND RECOMMENDATIONS FROM THE SUPERINTENDENT OF SCHOOLS**

- **a.** Superintendent's Report
- **b.** 2023 Legislative Agenda
- **c.** High School Bell Start Time Change

X. **POLICY COMMITTEE REPORT**

- **a.** Revision of Policy 3290: Debt: Purposes and Limitations (2022-0060)
- **b.** Revision of Policy 6682: Emergency Health Care and Adoption of Policy 6693: DNR-DNI Orders (2022-0061)

XI. **ACTION ITEMS BY THE BOARD OF EDUCATION**

A. Approval of Consent Agenda

These action items represent those that do not involve major policy decisions, budget decisions, taxing decisions, bond awards or items related to the Superintendent's contract of evaluation. Business items on this agenda are previously authorized or budgeted expenditures.

1. ***Personnel Items***
   - *a. Personnel List A*
   - *b. Personnel List B*

2. ***Contracts Requiring Board of Education Approval***
   - *a. Authorization to contract with ADT*
   - *b. Authorization to contract with Axiom*
   - *c. Authorization to contract with Carnegie*
   - *d. Authorization to contract with Concur Solutions*
   - *e. Amendment to contract 2022-4400001353 with iDreamTV*
   - *f. Amendment to contract 2022-4400001448 with Maxim Healthcare*
   - *g. Amendment to contract 2022-13877 with Meisa Transportation*
   - *h. Amendment to contract 2022-13880 with Metropolitan Transportation Network*
   - *i. Contract with Mind Foundry (2022-4400001600)*
   - *j. Amendment to contract 2022-4400001446 with Ratwik, Roszak & Maloney, P.A.*
   - *k. Amendment to contract 2022-4400001418 with Stepping Stone Group*
   - *l. Contract with UChicago (2022-4400001596)*
   - *m. Amendment to contract 2022-4400001477 with the Washburn Center for Children*
   - *n. Amendment to contract 2022-13895 with Whelan Security (dba GardaWorld Security Services)*

3. ***Resolutions***
   - *a. Resolution Authorizing Application to the Hennepin Youth Sports Program Grant for Artificial Turf Field Replacement at Washburn High School*

DRAFT

4. ***Settlements***
   a. *Legal Settlement: Starks vs. Minneapolis Public Schools*

5. ***Agreements***
   a. *Cell tower lease with DISH wireless at Folwell (2022-0066)*
   b. *Cell tower lease with DISH wireless at Keewaydin (2022-0067)*
   c. *Amendment to cell tower lease with DISH wireless at Lake Harriet--Lower Campus (2022-0059)*

MOTION: Director Caprini moved, seconded by Director Ali, that the Board of Education, Special School District No. 1, approve the consent agenda and adopt the recommendations as presented by the Superintendent.

MOTION: Director Jourdain moved, seconded by Director Ali to pull items 11)a.2.b and 11)a.2.c from the consent agenda for further discussion. Motion to pull these items passed by majority.

Director	Yay	Nay
Arneson	X	
El-Amin	X	
Ali	X	
Booker	X	
Cerrillo	No vote	
Inz	X	
Jourdain	X	
Caprini	X	
Ellison	X	

The motion to approve the amended consent agenda was put to a vote and carried out unanimously.

MOTION: Director Arneson moved, seconded by Director Caprini to approve item 11)a.2.b, authorization to contract with Axiom. Motion to approve this item passed unanimously.

MOTION: Director Arneson moved, seconded by Director Caprini to approve item 11)a.2.c, authorization to contract with Carnegie. Motion to approve this item passed unanimously.

B. <u>RESOLUTION AMENDING THE DISTRICT'S 2022-2023 BUDGET – ATTACHMENT 2</u>

MOTION: Director Caprini moved, seconded by Director Arneson that the Board of Education, Special School District No. 1, approve the Budget Amendment resolution The motion to approve the resolution was put to a vote and carried out unanimously.

C. <u>RESOLUTION TRANSFERRING FUNDS FROM OPEB DEBT SERVICE FUND (FUND 47) TO DEBT SERVICE FUND (FUND 7)</u>

DRAFT

WHEREAS, *fund 47 was developed to maintain the record keeping for OPEB bonds; however, it is a component of a district's overall debt which is reported in Fund 07 Debt Service Fund. After bond obligations and interest have been satisfied in Fund 47, surplus fund balances must be addressed according to Minnesota Statutes, section 475.61, Subdivision 4 – Surplus Funds.; and*

WHEREAS, *on the June 30 following the final payment on the OPEB bond, Fund 47 must be closed to Fund 7 balances. Minneapolis Public Schools issuance of 2012E Bond's final payment was made February 1st, 2022.*

NOW THEREFORE BE IT RESOLVED*, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby transfer the surplus fund balance of $470,867.27 from OPEB Debt Service Fund (Fund 47) to Debt Service Fund (Fund 7) as of June 30th, 2022.*

ADOPTED *this 15th day of November 2022.*

MOTION: Director Caprini moved, seconded by Director Arneson that the Board of Education, Special School District No. 1, approve the resolution transferring funds. The motion to approve the resolution was put to a vote and carried out unanimously.

D. DISCUSSION OF MDE COMMISSIONER'S POSITIVE REVIEW AND COMMENT LETTER REGARDING SCHOOL CONSTRUCTION PROJECTS – NO VOTE

E. RESOLUTION RELATING TO $31,150,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2022A; AWARDING THE SALE THEREOF; PRESCRIBING THE FORM AND DETAILS THEREOF; AND AUTHORIZING THE ISSUANCE THEREOF (2022A) – ATTACHMENT 3

MOTION: Director Caprini moved, seconded by Director El-Amin that the Board of Education, Special School District No. 1, approve the Resolution relating to bond sales 2022A. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

F. RESOLUTION RELATING TO $27,600,000 GENERAL OBLIGATION LONG-TERM FACILITIES MAINTENANCE BONDS, SERIES 2022B; AWARDING THE SALE THEREOF; PRESCRIBING THE FORM AND DETAILS THEREOF; AND AUTHORIZING THE ISSUANCE THEREOF (2022B) – ATTACHMENT 4

MOTION: Director Caprini moved, seconded by Director El-Amin that the Board of Education, Special School District No. 1, approve the Resolution relating to bond sales 2022B. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

G. RESOLUTION RELATING TO THE REFINANCING OF SCHOOL PROPERTY; AUTHORIZING THE LEASE-PURCHASE OF SUCH PROPERTY AND THE SALE OF $65,545,000 REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2022C; AND APPROVING AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO (2022C)– ATTACHMENT 5

MOTION: Director Caprini moved, seconded by Director El-Amin that the Board of Education, Special School District No. 1, approve the Resolution relating to bond

DRAFT

sales 2022C. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

H. REVISION OF POLICY 1692: SCHOOL SITE COUNCIL (2022-0057) – ATTACHMENT 6

MOTION: Director Inz moved, seconded by Director El-Amin that the Board of Education, Special School District No. 1, approve the Revision of Policy 1692. The motion to approve the resolution was put to a vote carried out unanimously

I. 2022-2023 EQUITY AND DIVERSITY IMPACT ASSESSMENT (EDIA) RECOMMENDATION)

MOTION: Director Caprini moved, seconded by Director Arneson that, in concurrence with the recommendation of the Interim Superintendent and the Board Policy Committee, the Board directs the Research, Evaluation, Assessment, and Accountability Department to conduct a full Equity and Diversity Impact Assessment (EDIA) on transportation during the 2022-2023 school year and report back findings and recommendations in accordance with Policy 1304. The motion to approve this recommendation was put to a vote and carried out unanimously.

J. RESOLUTION DEDICATING THE PRATT SCHOOL PLAYGROUND AS THE JACKSON FAMILY PLAYGROUND (2022-0058)

WHEREAS, *the Pratt School community has been discussing the naming and dedication of the playground with stakeholders since the winter of 2019; and*

WHEREAS, *all applicable steps and requirements in MPS Policy 7960 and its regulations have been fulfilled to dedicate the playground as recommended; and*

WHEREAS, *the Superintendent of Schools has reviewed the proposal and forwarded the recommendation to the School Board.*

NOW THEREFORE BE IT RESOLVED, that *the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby dedicates the Pratt School playground as the Jackson Family Playground.*

ADOPTED *this 15th day of November 2022.*

MOTION: Director Booker moved, seconded by Director Caprini that the Board of Education, Special School District No. 1, approve the resolution dedicating the Pratt School playground as the Jackson Family Playground. The motion to approve the resolution was put to a vote and carried out unanimously.

K. RESCINDING RESOLUTION AUTHORIZING A COVID-19 VACCINATION REQUIREMENT FOR EMPLOYEES AND CERTAIN CONTRACTORS, PARTNERS AND VOLUNTEERS

MOTION: Director Caprini moved, seconded by Director Arneson that the Board of Education, Special School District No. 1, rescind the Resolution Authorizing a Covid-19 Vaccination Requirement for Employees and Certain Contractors, Partners and Volunteers that was originally approved by the Board September

DRAFT

14, 2021. The motion to rescind the resolution was put to a vote carried out unanimously.

L. RESOLUTION AMENDING THE 2022-2023 SCHOOL YEAR CALENDAR

WHEREAS, *the adopted 2022-2023 school year calendar currently has school in session on Monday January 2 , 2023; and*

WHEREAS, *Minnesota Statutes Section 645.44 prohibits public business from being transacted on certain holidays including on New Year's Day on the following Monday when it falls on a Sunday; and*

WHEREAS, *a rescheduled makeup day is not required districtwide to meet state instructional minimums.*

NOW THEREFORE BE IT RESOLVED, *that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby amends the 2022-2023 school calendar so that Monday January 2, 2023 is an observed holiday and a non-school day.*

ADOPTED *this 15th day of November 2022.*

MOTION: Director Arneson moved, seconded by Director Caprini that the Board of Education, Special School District No. 1, approve the resolution amending the 2022-2023 School year calendar. The motion to approve the resolution was put to a vote and carried out unanimously.

XII. NEW BUSINESS - NONE

XIII. REPORTS FROM BOARD OF EDUCATION DIRECTORS

- Remarks given by Director Caprini, Director Arneson, Student Representative Austin, Director Jourdain, and Chair Ellison.

XIV. ADJOURNMENT

Chair Ellison adjourned the meeting

DRAFT

ATTACHMENT 1

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS PUBLIC SCHOOLS

Resolution No. 2022-0069
November 15, 2022

Resolution Canvassing the Votes for the November 8, 2022 General Election

WHEREAS, the State Statutes provide for a School District Election on the first Tuesday after the first Monday in November and; and

WHEREAS, a School District General Election was duly held on November 8, 2022; and

WHEREAS, the School District canvassed the vote totals in accordance with State Statutes; and

WHEREAS, the canvassed votes are as follows:

School Board Member at Large (SSD #1) (Elect 2)

Candidate	Votes	%
KerryJo Felder	51,872	25.19%
Lisa Skjefte	31,941	15.51%
Collin Beachy	68,084	33.06%
Sonya Emerick	52,365	25.43%
WRITE-IN	1,686	0.82%

School Board Member District 1 (SSD #1)

Candidate	Votes	%
Abdul Abdi	15,335	98.01%
WRITE-IN	312	1.99%

School Board Member District 3 (SSD #1)

Candidate	Votes	%
Fathia Feerayarre	11,159	98.29%
WRITE-IN	194	1.71%

School Board Member District 5 (SSD #1)

Candidate	Votes	%
Laurelle Myhra	9,062	31.21%
Lori Norvell	19,774	68.11%
WRITE-IN	195	0.67%

DRAFT

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) that said election returns are hereby canvassed and that the number of votes received by each candidate voted upon at the said election is hereby attached, and determined the noted candidates as hereby elected to the office opposite their respective names for the term stated:

TERM OF OFFICE: January 2023 to January 2027

OFFICE	**ELECTED**
School Board Member at Large	Collin Beachy
School Board Member at Large	Sonya Emerick
School Board Member District 1	Abdul Abdi
School Board Member District 3	Fathia Feerayarre
School Board Member District 5	Lori Norvell

ADOPTED this 15th day of November 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

DRAFT

RECORD OF BOARD VOTE (2022-0069)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson	X			
El-Amin	X			
Ali	X			
Cerrillo	X			
Inz	X			
Jourdain	X			
Booker	X			
Caprini	X			
Ellison	X			

ATTACHMENT 2

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS PUBLIC SCHOOLS

Resolution No. 2022-0062
November 15, 2022

Resolution Amending the District's 2022-2023 Budget

WHEREAS, $3 million of additional ESSER III funds granted to the district is needed to address learning loss through additional time for student learning, explicit intervention strategies (high dosage tutoring), and staff training; and

WHEREAS, membership levels for the 2022-2023 school year are projected to fall short of original expectations, resulting in lower revenue of $6.8 million; and

WHEREAS, safety and security issues in our community have negatively impacted our students, staff and the learning environments they share, requiring $1.4 million of safety and security enhancements; and

WHEREAS, $220,000 is needed from the General Fund to ensure that students at Wellstone High School have access to hot and nutritious lunches; and

WHEREAS, an additional $12 million in capital funds are needed this year for ongoing work at the North CTE Center and the North High School renovation project; and

WHEREAS, the District's FY23 budget is amended as follows:

	Revenue		Expenses	
	Original	**Amended**	**Original**	**Amended**
General Operating Fund	491,176,294	484,395,281	509,559,148	511,163,148
General Fund Grants	123,200,000	126,200,000	123,200,000	126,200,000
General Fund Special Revenue	10,000,000	10,000,000	10,000,000	10,000,000
Food Service Fund	24,895,120	24,895,120	26,595,120	26,595,120
Food Service Grants	115,000	115,000	115,000	115,000
Community Service Fund	26,572,419	26,572,419	27,813,801	27,813,801
Community Service Fund Grants and Special Revenue	10,395,600	10,395,600	10,395,600	10,395,600
Capital Projects Fund	64,198,898	76,198,898	130,000,000	142,000,000
Debt Service Fund	91,134,710	91,134,710	91,134,710	91,134,710
Total	**841,688,041**	**849,907,028**	**928,813,379**	**945,417,379**

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby approves the above-mentioned revenue and expenditure amended budget for the fiscal year 2022-2023.

DRAFT

ADOPTED this 15th day of November 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

RECORD OF BOARD VOTE (2022-0062)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson	X			
El-Amin	X			
Ali	X			
Cerrillo	X			
Inz	X			
Jourdain	X			
Booker	X			
Caprini	X			
Ellison	X			

DRAFT

ATTACHMENT 3

SPECIAL SCHOOL DISTRICT NO. 1
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the "District"), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted ***by a two-thirds majority vote of all the members*** of the Board of Education of the District at a lawful meeting duly called and held on November 15, 2022, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this 15 day of November, 2022.

School District Clerk

DRAFT

RESOLUTION RELATING TO $31,150,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2022A; AWARDING THE SALE THEREOF; PRESCRIBING THE FORM AND DETAILS THEREOF; AND AUTHORIZING THE ISSUANCE THEREOF

BE IT RESOLVED by the Board of Education (the "Board") of Special School District No. 1 (Minneapolis), Minnesota (the "District"), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Chapter 475, and Section 128D.11, the District, by a two-thirds majority vote of all the members of the Board and without any election by the voters of the District, is authorized to issue and sell in calendar year 2022, general obligation bonds of the District in an amount not to exceed $65,941,116, including $15,000,000 as a carry forward from calendar year 2021.

1.02. This Board hereby finds, determines and declares that it is in the best interest of the District to proceed forthwith to authorize the issuance of its General Obligation School Building Bonds, Series 2022A, in the initial aggregate principal amount of $31,150,000 (the "Bonds"), to finance the rehabilitating, remodeling, expanding, and equipping of existing school buildings, the acquisition of sites, construction, and equipping of new school buildings and the acquisition and betterment of District facilities (the "Project"), and to pay costs of issuing the Bonds. On October 26, 2022, the District received a positive review and comment from the Minnesota Department of Education ("MDE") with respect to the portions of the Project requiring a review and comment by MDE pursuant to the provisions of Minnesota Statutes, Section 123B.71, and this Board has discussed the review and comment at this meeting or a prior public meeting. At least 20 days but not more than 60 days before solicitation of bids for portions of the Project that have received a positive review and comment from MDE, the Board shall cause the publication of a summary of the review and comment in the legal newspaper of the District, and all actions required to accomplish the same are hereby authorized.

1.03. PFM Financial Advisors LLC, municipal advisor to the District, has solicited, on behalf of the District, competitive proposals for the purchase of the Bonds. Upon consideration by this Board, the most favorable of such proposals received by the District is that of Piper Sandler & Co. in Minneapolis, Minnesota (the "Purchaser"), who offered to purchase the Bonds at a price of $33,999,206.71 ($31,150,000 in par amount of Bonds, plus original issue premium in the amount of $2,886,274.80, less Purchaser compensation in the amount of $37,068.09), upon the further terms and conditions set forth in this resolution. The amount of bonding authority carried forward by the District from 2022 to 2023 pursuant to Minnesota Statutes, Section 128D.11, subdivision 3, is hereby determined to be $15,000,000.

1.04. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

DRAFT

Section 2. Form of Bonds

2.01. The Bonds shall be prepared substantially in the form of Exhibit A.

Section 3. Bond Terms, Execution and Delivery

3.01. Maturities, Interest Rates, Denominations. The District shall forthwith issue and deliver the Bonds, which shall be denominated "General Obligation School Building Bonds, Series 2022A." The Bonds shall be in the denomination of $5,000 each or any integral multiple thereof, shall mature on February 1 in the years and amounts set forth below, and Bonds maturing in such years and amounts shall bear interest, on the basis of a 360-day year composed of twelve 30-day months, from the date of issue until paid or duly called for redemption at the rates per annum shown opposite such years and in amounts as follows:

Year	Amount	Rate	Year	Amount	Rate
2024	$2,255,000	5.00%	2034	$925,000	5.00%
2025	2,600,000	5.00	2035	970,000	5.00
2026	2,730,000	5.00	2036	1,020,000	5.00
2027	2,870,000	5.00	2037	1,070,000	5.00
2028	3,015,000	5.00	2038	1,120,000	5.00
2029	1,295,000	5.00	2039	1,180,000	5.00
2030	1,355,000	5.00	2040	1,235,000	5.00
2031	1,085,000	5.00	2041	1,300,000	5.00
2032	1,135,000	5.00	2042	1,365,000	5.00
2033	1,195,000	5.00	2043	1,430,000	5.00

DRAFT

3.02. Dates; Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the District hereinafter described. The interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2023, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. The interest on, and upon presentation and surrender thereof, the principal of each Bond, shall be payable by check or draft issued by the Registrar (as defined herein). Each Bond shall be originally dated as of December 6, 2022, and upon authentication of any Bond, the Registrar described herein shall indicate therein the date of such authentication.

3.03. Registration. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to

DRAFT

the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank Trust Company, National Association, as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank Trust Company, National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. Bonds maturing in the years 2033 and thereafter shall each be subject to redemption and prepayment, at the option of the District, in inverse order of maturities and, within any maturity, in $5,000 principal amounts selected by the Registrar by lot, on February 1, 2032, or any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty (30) days prior to the date set for redemption of any Bond, the School District Clerk shall cause notice of the call for redemption to be published in a daily or weekly periodical published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and to be mailed to the Registrar and to the registered owner of each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that said signatures and the official seal may be printed, engraved, or lithographed facsimiles thereof.

DRAFT

In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

3.07. Securities Depository.

(a) For purposes of this section, the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the District agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by

DRAFT

DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Senior Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds and maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an

DRAFT

officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer before the date of execution.

Section 4. Use of Proceeds; Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds shall be held in a separate fund or account in the official financial records of the District (the "Project Fund") and the District shall continue to maintain the Project Fund until payment of all costs and expenses incurred in connection with the projects financed by the Bonds have been paid. To the Project Fund there shall be credited all the proceeds of the Bonds and from the Project Fund there shall be paid all costs and expenses of the projects financed by the Bonds, including costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein). After payment of all costs and expenses of the projects financed by the Bonds, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund or used for other projects in accordance with Minnesota law.

4.02. So long as any of the Bonds are outstanding and any principal or interest thereon remains unpaid, the District shall maintain as a separate account on its books and records the sinking fund heretofore established (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery, and (d) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year (as defined in the Tax Certificate) and will be fully depleted at least once a year, except for a reasonable carryover amount expected not to exceed the greater of (a) the earnings on the Debt Service Fund in the immediately preceding Bond Year or (b) one-twelfth of the annual debt service on the Bonds in the immediately preceding Bond Year.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth below, as a part of other general taxes of the District, as follows:

Levy Year	Collection Year	Amount

SEE ATTACHED SCHEDULE

DRAFT

The foregoing taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If on October 1 in any year the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrepealable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution.

Section 5. Defeasance

5.01. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 6. Certifications of Proceedings; Tax Matters and Disclosure Matters

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the "County Auditor") a certified copy of this resolution, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

DRAFT

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, bond counsel to the District, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations promulgated thereunder (the "Regulations"), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, or the Senior Financial Officer, or any of their authorized designees, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by Dorsey & Whitney LLP, bond counsel to the District, to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District has made a declaration of official intent which complies with the provisions of Section 1.150-2 of the

DRAFT

Regulations; provided, however, that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

6.07. The Preliminary Official Statement dated November 7, 2022 (the "Preliminary Official Statement"), prepared by the District and PFM Financial Advisors LLC and distributed by PFM Financial Advisors LLC, on behalf of the District, is hereby ratified and approved. District officials and staff and PFM Financial Advisors LLC are hereby authorized, on behalf of the District, to prepare and distribute, with the approval of the Senior Financial Officer of the District, or any authorized designee, any supplements to the Preliminary Official Statement necessary in connection with the offering and sale of the Bonds. District officials and staff and PFM Financial Advisors LLC and the District are hereby further authorized to prepare and distribute to the Purchaser, within seven business days from the date hereof, a final supplement to the Preliminary Official Statement or a final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Final Official Statement"). The officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Preliminary Official Statement and the Final Official Statement, which Final Official Statement is also hereby approved, with such changes and additions as the Senior Financial Officer of the District, or his designees, may authorize.

Section 7. State Payment; District and Bond Registrar Obligations

7.01. The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the "State Payment Law"), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statues, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest

DRAFT

or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the Commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Senior Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

"*Annual Report*" means any annual report provided by the District pursuant to, and as described in, Section 8.03.

"*Beneficial Owner*" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

"*EMMA*" means the MSRB's Electronic Municipal Market Access system available at http://emma.msrb.org.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Holders*" means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"*Listed Events*" means the events listed in Section 8.04.

"*MSRB*" means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

DRAFT

8.03. Provision of Annual Reports.

(i) Not later than 12 months after the end of each fiscal year of the District (the "Submission Deadline") (the first report being due not later than 12 months after June 30, 2022), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District's fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

(ii) The Annual Report must contain or include by reference the following:

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.

(2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:

(A) Financial Summary
(B) Indebtedness
(C) Property Valuations and Taxes
(D) Financial Information

(iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be

DRAFT

included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

8.04. Reporting of Significant Events.

(i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of

DRAFT

a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events

DRAFT

described in subparagraphs (8) and (9) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

(i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material

DRAFT

differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

DRAFT

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)
GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2022A

R-___ $_____

Interest Rate	Maturity	Date of Original Issue	CUSIP
	February 1, 20__	December 6, 2022	603790 ___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the "District"), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2023, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the "Bond Registrar"), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of $31,150,000 (the "Bonds"), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the acquisition and betterment of school facilities, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 128D.11, and pursuant to and in full conformity with resolutions of the Board of Education of the District, including a resolution adopted November 15, 2022 (the "Resolution"). This Bond is payable primarily from the Debt Service Fund (the "Debt Service Fund") of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds of this issue are issuable only as fully registered bonds, in denominations of $5,000 or any integral multiple thereof, of single maturities.

DRAFT

Bonds having stated maturity dates in the years 2033 and thereafter are each subject to redemption and prepayment in inverse order of maturities and by lot, assigned in proportion to their principal amount, within a maturity, at the option of the District, on any date on or after February 1, 2032, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty days prior to the date set for the redemption and prepayment of any Bond, notice of the call for redemption will be published in a daily or weekly periodical, published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and will be mailed or furnished to the Bond Registrar and mailed to the registered owner of each Bond to be redeemed at the address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

DRAFT

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS), MINNESOTA

(Facsimile Signature)	(Facsimile Signature)
Chair of the Board of Education	School District Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Bond Registrar

By _____
Authorized Signature

DRAFT

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common	UTMA ……..…. as Custodian for ……..….. (Cust) (Minor)
TEN ENT --as tenants by the entireties	under Uniform Transfers to Minors Act ..... (State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used, though not in the above list.

_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

DRAFT

SCHEDULE

Minneapolis Special School District No. 1, Minnesota
$31,150,000 General Obligation School Building Bonds, Series 2022A
Tax Levy Schedule

Dated Date: 12/6/2022

Levy Year	Collection Year	Period Ending	Principal	Coupon	Interest	Debt Service	105% of DS
		8/1/2023	-		1,016,701.39		
2022	2023	2/1/2024	2,255,000.00	5.00%	778,750.00	4,050,451.39	4,252,973.96
		8/1/2024	-		722,375.00		
2023	2024	2/1/2025	2,600,000.00	5.00%	722,375.00	4,044,750.00	4,246,987.50
		8/1/2025	-		657,375.00		
2024	2025	2/1/2026	2,730,000.00	5.00%	657,375.00	4,044,750.00	4,246,987.50
		8/1/2026	-		589,125.00		
2025	2026	2/1/2027	2,870,000.00	5.00%	589,125.00	4,048,250.00	4,250,662.50
		8/1/2027	-		517,375.00		
2026	2027	2/1/2028	3,015,000.00	5.00%	517,375.00	4,049,750.00	4,252,237.50
		8/1/2028	-		442,000.00		
2027	2028	2/1/2029	1,295,000.00	5.00%	442,000.00	2,179,000.00	2,287,950.00
		8/1/2029	-		409,625.00		
2028	2029	2/1/2030	1,355,000.00	5.00%	409,625.00	2,174,250.00	2,282,962.50
		8/1/2030	-		375,750.00		
2029	2030	2/1/2031	1,085,000.00	5.00%	375,750.00	1,836,500.00	1,928,325.00
		8/1/2031	-		348,625.00		
2030	2031	2/1/2032	1,135,000.00	5.00%	348,625.00	1,832,250.00	1,923,862.50
		8/1/2032	-		320,250.00		
2031	2032	2/1/2033	1,195,000.00	5.00%	320,250.00	1,835,500.00	1,927,275.00
		8/1/2033	-		290,375.00		
2032	2033	2/1/2034	925,000.00	5.00%	290,375.00	1,505,750.00	1,581,037.50
		8/1/2034	-		267,250.00		
2033	2034	2/1/2035	970,000.00	5.00%	267,250.00	1,504,500.00	1,579,725.00
		8/1/2035	-		243,000.00		
2034	2035	2/1/2036	1,020,000.00	5.00%	243,000.00	1,506,000.00	1,581,300.00
		8/1/2036	-		217,500.00		
2035	2036	2/1/2037	1,070,000.00	5.00%	217,500.00	1,505,000.00	1,580,250.00
		8/1/2037	-		190,750.00		
2036	2037	2/1/2038	1,120,000.00	5.00%	190,750.00	1,501,500.00	1,576,575.00
		8/1/2038	-		162,750.00		
2037	2038	2/1/2039	1,180,000.00	5.00%	162,750.00	1,505,500.00	1,580,775.00
		8/1/2039	-		133,250.00		
2038	2039	2/1/2040	1,235,000.00	5.00%	133,250.00	1,501,500.00	1,576,575.00
		8/1/2040	-		102,375.00		
2039	2040	2/1/2041	1,300,000.00	5.00%	102,375.00	1,504,750.00	1,579,987.50
		8/1/2041	-		69,875.00		
2040	2041	2/1/2042	1,365,000.00	5.00%	69,875.00	1,504,750.00	1,579,987.50
		8/1/2042	-		35,750.00		
2041	2042	2/1/2043	1,430,000.00	5.00%	35,750.00	1,501,500.00	1,576,575.00
		Total	31,150,000.00		13,986,201.39	45,136,201.39	47,393,011.46

DRAFT

ATTACHMENT 4

SPECIAL SCHOOL DISTRICT NO. 1
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the "District"), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted ***by a simple majority vote of a quorum of*** the Board of Education of the District at a lawful meeting duly called and held on November 15, 2022, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this 15 day of November, 2022.

School District Clerk

DRAFT

RESOLUTION RELATING TO $27,600,000 GENERAL OBLIGATION LONG-TERM FACILITIES MAINTENANCE BONDS, SERIES 2022B; AWARDING THE SALE THEREOF; PRESCRIBING THE FORM AND DETAILS THEREOF; AND AUTHORIZING THE ISSUANCE THEREOF

BE IT RESOLVED by the Board of Education (the "Board") of Special School District No. 1 (Minneapolis), Minnesota (the "District"), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Section 123B.595, the District, with the approval of the Commissioner of Education of the State of Minnesota and after proper notice, is authorized to issue and sell general obligation bonds of the District to finance facilities plans approved under Minnesota Statutes, Section 123B.595. The Board has heretofore approved the District's ten-year facilities plan (the "Plan") and on September 15, 2022, the District received written approval from the Commissioner of Education of its ten-year facilities plan (the "Plan") and a bond issue in connection therewith. The levy of ad valorem taxes for the payment of the principal of and interest on bonds issued in 2022 to finance such Plan was approved as part of the Minnesota Department of Education ("MDE") Levy Limitation and Certification 2022-2023. The Board hereby ratifies and approves all action heretofore taken and hereby authorizes any additional actions required to be taken by District staff with respect to the Plan and publication of the notice required by Minnesota Statutes, Section 123B.595, Subd. 5(b).

1.02. This Board hereby finds, determines and declares that it is in the best interest of the District to proceed forthwith to authorize the issuance of its General Obligation Long-Term Facilities Maintenance Bonds, Series 2022B, in the initial aggregate principal amount of $27,600,000 (the "Bonds"), to finance the projects included in the Plan (the "Project"), and to pay costs of issuing the Bonds. Review and comment by the Minnesota Department of Education is not required for any portion of the Project pursuant to the provisions of Minnesota Statutes, Section 123B.71.

1.03. PFM Financial Advisors LLC, municipal advisor to the District, has solicited, on behalf of the District, competitive proposals for the purchase of the Bonds. Upon consideration by this Board, the most favorable of such proposals received by the District is that of Wells Fargo Bank, National Association in Charlotte, North Carolina (the "Purchaser"), who offered to purchase the Bonds at a price of $30,419,428.60 ($27,600,000 in par amount of Bonds, plus original issue premium in the amount of $2,843,992.60, less Purchaser compensation in the amount of $24,564.00), upon the further terms and conditions set forth in this resolution.

1.04. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

DRAFT

Section 2. Form of Bonds

2.01. The Bonds shall be prepared substantially in the form of Exhibit A.

Section 3. Bond Terms, Execution and Delivery

3.01. Maturities, Interest Rates, Denominations. The District shall forthwith issue and deliver the Bonds, which shall be denominated "General Obligation Long-Term Facilities Maintenance Bonds, Series 2022B." The Bonds shall be in the denomination of $5,000 each or any integral multiple thereof, shall mature on February 1 in the years and amounts set forth below, and Bonds maturing in such years and amounts shall bear interest, on the basis of a 360-day year composed of twelve 30-day months, from the date of issue until paid or duly called for redemption at the rates per annum shown opposite such years and in amounts as follows:

Year	Amount	Rate	Year	Amount	Rate
2024	$1,255,000	5.00%	2034	$850,000	5.00%
2025	1,420,000	5.00	2035	890,000	5.00
2026	1,490,000	5.00	2036	935,000	5.00
2027	1,565,000	5.00	2037	985,000	5.00
2028	1,645,000	5.00	2038	1,030,000	5.00
2029	1,725,000	5.00	2039	1,085,000	5.00
2030	1,815,000	5.00	2040	1,140,000	5.00
2031	1,905,000	5.00	2041	1,195,000	5.00
2032	1,995,000	5.00	2042	1,255,000	5.00
2033	2,100,000	5.00	2043	1,320,000	5.00

DRAFT

3.02. Dates; Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the District hereinafter described. The interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2023, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. The interest on, and upon presentation and surrender thereof, the principal of each Bond, shall be payable by check or draft issued by the Registrar (as defined herein). Each Bond shall be originally dated as of December 6, 2022, and upon authentication of any Bond, the Registrar described herein shall indicate therein the date of such authentication.

3.03. Registration. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to

DRAFT

the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank Trust Company, National Association, as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank Trust Company, National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. Bonds maturing in the years 2033 and thereafter shall each be subject to redemption and prepayment, at the option of the District, in inverse order of maturities and, within any maturity, in $5,000 principal amounts selected by the Registrar by lot, on February 1, 2032, or any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty (30) days prior to the date set for redemption of any Bond, the School District Clerk shall cause notice of the call for redemption to be published in a daily or weekly periodical published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and to be mailed to the Registrar and to the registered owner of each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that said signatures and the official seal may be printed, engraved, or lithographed facsimiles thereof.

DRAFT

In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

3.07. Securities Depository.

(a) For purposes of this section, the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the District agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds

DRAFT

under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Senior Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds and maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer before the date of execution.

DRAFT

Section 4. Use of Proceeds; Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds shall be held in a separate fund or account in the official financial records of the District (the "Project Fund") and the District shall continue to maintain the Project Fund until payment of all costs and expenses incurred in connection with the projects financed by the Bonds have been paid. To the Project Fund there shall be credited all the proceeds of the Bonds and from the Project Fund there shall be paid all costs and expenses of the projects financed by the Bonds, including costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein). After payment of all costs and expenses of the projects financed by the Bonds, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund or used for other projects in accordance with Minnesota law.

4.02. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 5(c), the portion of long-term facilities maintenance revenue for bonded debt must be recognized in the debt service fund of the District (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery, (d) any long-term facilities maintenance equalized aid receivable under Minnesota Statutes, Section 123B.595, subdivision 9, and (e) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 12, the portion, if any, of long-term facility maintenance revenue not recognized in the Debt Service Fund shall be maintained with the general fund of the District in a reserve account pledged to the payment of Plan costs not financed by the Bonds. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year (as defined in the Tax Certificate) and will be fully depleted at least once a year, except for a reasonable carryover amount expected not to exceed the greater of (a) the earnings on the Debt Service Fund in the immediately preceding Bond Year or (b) one-twelfth of the annual debt service on the Bonds in the immediately preceding Bond Year.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth below, as a part of other general taxes of the District, as follows:

DRAFT

Levy Year	Collection Year	Amount

SEE ATTACHED SCHEDULE

The foregoing taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If on October 1 in any year the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrepealable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 6, if the debt service revenue required to pay the principal and interest on the Bonds exceeds the District's long-term facilities maintenance revenue for the same fiscal year, the District's general fund levy must be reduced by the amount of the excess.

Section 5. Defeasance

5.01. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

DRAFT

Section 6. Certifications of Proceedings; Tax Matters and Disclosure Matters

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the "County Auditor") a certified copy of this resolution, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, bond counsel to the District, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations promulgated thereunder (the "Regulations"), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, or the Senior Financial Officer, or any of their authorized designees, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by Dorsey & Whitney LLP, bond counsel to the District, to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required

DRAFT

under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District has made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided, however, that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

6.07. The Preliminary Official Statement dated as of November 7, 2022 (the "Preliminary Official Statement"), prepared by the District and PFM Financial Advisors LLC and distributed by PFM Financial Advisors LLC, on behalf of the District, is hereby ratified and approved. District officials and staff and PFM Financial Advisors LLC are hereby authorized, on behalf of the District, to prepare and distribute, with the approval of the Senior Financial Officer of the District, or any authorized designee, any supplements to the Preliminary Official Statement necessary in connection with the offering and sale of the Bonds. District officials and staff and PFM Financial Advisors LLC and the District are hereby further authorized to prepare and distribute to the Purchaser, within seven business days from the date hereof, a final supplement to the Preliminary Official Statement or a final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Final Official Statement"). The officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Preliminary Official Statement and the Final Official Statement, which Final Official Statement is also hereby approved, with such changes and additions as the Senior Financial Officer of the District, or his designees, may authorize.

Section 7. State Payment; District and Bond Registrar Obligations

The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the "State Payment Law"), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar

DRAFT

to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statues, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the Commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Senior Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

"*Annual Report*" means any annual report provided by the District pursuant to, and as described in, Section 8.03.

"*Beneficial Owner*" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

"*EMMA*" means the MSRB's Electronic Municipal Market Access system available at http://emma.msrb.org.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Holders*" means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"*Listed Events*" means the events listed in Section 8.04.

"*MSRB*" means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

DRAFT

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

8.03. Provision of Annual Reports.

(i) Not later than 12 months after the end of each fiscal year of the District (the "Submission Deadline") (the first report being due not later than 12 months after June 30, 2022), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District's fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

(ii) The Annual Report must contain or include by reference the following:

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.

(2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained

DRAFT

in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:

(A) Financial Summary
(B) Indebtedness
(C) Property Valuations and Taxes
(D) Financial Information

(iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

8.04 Reporting of Significant Events.

(i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

DRAFT

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on

DRAFT

EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

(i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

DRAFT

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

DRAFT

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)
GENERAL OBLIGATION LONG-TERM FACILITIES MAINTENANCE BOND, SERIES 2022B

R-___ $ _____

Interest Rate	Maturity	Date of Original Issue	CUSIP
	February 1, 20__	December 6, 2022	603790 ___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the "District"), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2023, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank Trust Company, National Association in St. Paul, Minnesota has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the "Bond Registrar"), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of $27,600,000 (the "Bonds"), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the acquisition and betterment of school facilities, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 123B.595, and pursuant to and in full conformity with resolutions of the Board of Education of the District, including a resolution adopted November 15, 2022 (the "Resolution"). This Bond is payable primarily from the Debt Service Fund (the "Debt Service Fund") of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds

DRAFT

of this issue are issuable only as fully registered bonds, in denominations of $5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in the years 2033 and thereafter are each subject to redemption and prepayment in inverse order of maturities and by lot, assigned in proportion to their principal amount, within a maturity, at the option of the District, on any date on or after February 1, 2032, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty days prior to the date set for the redemption and prepayment of any Bond, notice of the call for redemption will be published in a daily or weekly periodical, published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and will be mailed or furnished to the Bond Registrar and mailed to the registered owner of each Bond to be redeemed at the address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

DRAFT

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS), MINNESOTA

(Facsimile Signature)
Chair of the Board of Education

(Facsimile Signature)
School District Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Bond Registrar

By _____
Authorized Signature

DRAFT

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common	UTMA …….…. as Custodian for ……..….. (Cust) (Minor)
TEN ENT --as tenants by the entireties	under Uniform Transfers to Minors Act .....…
	(State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used, though not in the above list.

_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

DRAFT

SCHEDULE

Minneapolis Special School District No. 1, Minnesota
$27,600,000 General Obligation Long-Term Facilities Maintenance Bonds, Series 2022B
Tax Levy Schedule

Dated Date: 12/6/2022

Levy Year	Collection Year	Period Ending	Principal	Coupon	Interest	Debt Service	105% of DS
		8/1/2023	-		900,833.33		
2022	2023	2/1/2024	1,255,000.00	5.00%	690,000.00	2,845,833.33	2,988,125.00
		8/1/2024	-		658,625.00		
2023	2024	2/1/2025	1,420,000.00	5.00%	658,625.00	2,737,250.00	2,874,112.50
		8/1/2025	-		623,125.00		
2024	2025	2/1/2026	1,490,000.00	5.00%	623,125.00	2,736,250.00	2,873,062.50
		8/1/2026	-		585,875.00		
2025	2026	2/1/2027	1,565,000.00	5.00%	585,875.00	2,736,750.00	2,873,587.50
		8/1/2027	-		546,750.00		
2026	2027	2/1/2028	1,645,000.00	5.00%	546,750.00	2,738,500.00	2,875,425.00
		8/1/2028	-		505,625.00		
2027	2028	2/1/2029	1,725,000.00	5.00%	505,625.00	2,736,250.00	2,873,062.50
		8/1/2029	-		462,500.00		
2028	2029	2/1/2030	1,815,000.00	5.00%	462,500.00	2,740,000.00	2,877,000.00
		8/1/2030	-		417,125.00		
2029	2030	2/1/2031	1,905,000.00	5.00%	417,125.00	2,739,250.00	2,876,212.50
		8/1/2031	-		369,500.00		
2030	2031	2/1/2032	1,995,000.00	5.00%	369,500.00	2,734,000.00	2,870,700.00
		8/1/2032	-		319,625.00		
2031	2032	2/1/2033	2,100,000.00	5.00%	319,625.00	2,739,250.00	2,876,212.50
		8/1/2033	-		267,125.00		
2032	2033	2/1/2034	850,000.00	5.00%	267,125.00	1,384,250.00	1,453,462.50
		8/1/2034	-		245,875.00		
2033	2034	2/1/2035	890,000.00	5.00%	245,875.00	1,381,750.00	1,450,837.50
		8/1/2035	-		223,625.00		
2034	2035	2/1/2036	935,000.00	5.00%	223,625.00	1,382,250.00	1,451,362.50
		8/1/2036	-		200,250.00		
2035	2036	2/1/2037	985,000.00	5.00%	200,250.00	1,385,500.00	1,454,775.00
		8/1/2037	-		175,625.00		
2036	2037	2/1/2038	1,030,000.00	5.00%	175,625.00	1,381,250.00	1,450,312.50
		8/1/2038	-		149,875.00		
2037	2038	2/1/2039	1,085,000.00	5.00%	149,875.00	1,384,750.00	1,453,987.50
		8/1/2039	-		122,750.00		
2038	2039	2/1/2040	1,140,000.00	5.00%	122,750.00	1,385,500.00	1,454,775.00
		8/1/2040	-		94,250.00		
2039	2040	2/1/2041	1,195,000.00	5.00%	94,250.00	1,383,500.00	1,452,675.00
		8/1/2041	-		64,375.00		
2040	2041	2/1/2042	1,255,000.00	5.00%	64,375.00	1,383,750.00	1,452,937.50
		8/1/2042	-		33,000.00		
2041	2042	2/1/2043	1,320,000.00	5.00%	33,000.00	1,386,000.00	1,455,300.00
		Total	27,600,000.00		13,721,833.33	41,321,833.33	43,387,925.00

DRAFT

ATTACHMENT 5

SPECIAL SCHOOL DISTRICT NO. 1
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the "District"), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted ***by a simple majority vote of a quorum of*** the Board of Education of the District at a lawful meeting duly called and held on November 15, 2022, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District this 15 day of November, 2022.

School District Clerk

DRAFT

RESOLUTION RELATING TO THE REFINANCING OF SCHOOL PROPERTY; AUTHORIZING THE LEASE-PURCHASE OF SUCH PROPERTY AND THE SALE OF $65,545,000 REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2022C; AND APPROVING AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO

BE IT RESOLVED by the Board of Education (the "Board") of Special School District No. 1 (Minneapolis), Minnesota (the "District"), as follows:

Section 1. Authorization. The District is authorized by Minnesota Statutes, Section 126C.40, subdivision 6, to acquire and refinance real or personal property by lease-purchase agreement. It is hereby found, determined and declared to be necessary and desirable and in the best interest of the District to execute and deliver a lease-purchase agreement and related documents for the purpose of prepaying the Lease-Purchase Agreement dated as of December 1, 2014, between the District and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the "Prior Lease"), and defeasing and/or refunding the outstanding Full Term Certificates of Participation, Series 2014D (the "Refunded Certificates"). The total debt service savings to the District from such refunding is approximately $3,808,952.80 on a present value basis. The Commissioner of the Minnesota Department of Education (the "Commissioner") authorized the Prior Lease and the Lease and the making of an additional capital expenditure levy in connection with the Prior Lease which will continue for the Lease. The Board hereby authorizes the prepayment of the Prior Lease and the defeasance and/or refunding of the Refunded Certificates by execution of the Lease (as defined herein), and hereby further authorizes the creation of Refunding Certificates of Participation, Series 2022C, in the Lease (the "Certificates"). All actions heretofore taken by the District with respect to such prepayment and refinancing and the transactions described herein and contemplated by the documents approved herein, are hereby ratified and approved in all respects.

Section 2. Sale. PFM Financial Advisors LLC, municipal advisor to the District, has solicited bids from potential purchasers of the Certificates. The bids have been tabulated and upon consideration by the Board, the most favorable of such bids is ascertained to be that of Wells Fargo Bank, National Association in Charlotte, North Carolina (the "Purchaser"), who offered to purchase the Certificates in an aggregate principal amount of $65,545,000, at a price of $70,615,090.80 ($65,545,000 in par amount of Certificates plus original issue premium of $5,098,930.60, less Purchaser compensation of $28,839.80), maturing on the dates, in the amounts and at the interest rates per annum specified in such bid, resulting in a true interest costs of 3.068637% per annum, and such bid is hereby accepted and the sale of the Certificates is awarded to the Purchaser. The Chair and any authorized designee thereof is hereby authorized to execute an agreement for the sale of the Certificates to the Purchaser. The good faith deposits of all unsuccessful bidders shall be returned forthwith.

Section 3. Financing Documents. The following documents have been prepared and are on file in the office of the Senior Financial Officer of the District:

DRAFT

(a) Lease-Purchase Agreement (the "Lease") between the District, as lessee, and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as lessor;

(b) Trust Agreement (the "Trust Agreement") between the District and the Trustee, together with a form of the Certificates; and

(c) Escrow Agreement between the District and U.S. Bank Trust Company, National Association, as escrow agent.

The forms of such documents are hereby approved, with such variations, insertions and additions as are deemed appropriate by the parties and approved by counsel to the District, Dorsey & Whitney LLP.

Section 4. Execution. Upon completion of the Lease and the Trust Agreement and the execution thereof by the other parties thereto, the Chair and School District Clerk, or other designated signatories acting on their behalf, are hereby authorized to execute and deliver the Lease and the Trust Agreement on behalf of the District. The Chair and School District Clerk (or their designated signatories acting on their behalf, or in the case of the IRS Form 8038-G, the Senior Financial Officer individually (or another designated signatory individually)) shall and are hereby further authorized to execute, on behalf of the District, such other contracts, certifications, documents or instruments as counsel to the District or the Trustee shall require, and all certifications, recitals, warranties and representations therein and in the Lease and the Trust Agreement shall constitute the certifications, recitals, warranties and representations of the District. Execution of any contract, certification, document or instrument by one or more appropriate officers of the District will constitute and be deemed conclusive evidence of the approval and authorization by the District and the Board of the instrument or document so executed.

Section 5. Payment Of Rental Payments; No General Obligation; Capital Expenditure Levy. The District shall pay to the Trustee promptly when due, all of the Rental Payments (as defined in the Lease) and other amounts required by the Lease. The Lease and the obligations of the District thereunder will be special, limited obligations of the District payable solely from the proceeds of the additional capital expenditures levy hereby authorized and made pursuant to Minnesota Statutes, Section 126C.40, and approved by the Commissioner. Subject to existing law, the District will continue to cause such levy to be spread against all taxable property within the corporate limits of the District for the years and in the amounts sufficient to pay the obligations of the District under the Lease, and the District will utilize the taxes generated by such levy solely to pay such obligations during the term of the Lease, and shall remit such funds to the Trustee pursuant to the terms of the Trust Agreement. The full faith and credit and ability of the District to levy ad valorem taxes without limitation as to rate or amount are not pledged to the payment of the Lease or any obligation of the District thereunder.

Section 6. State Credit Enhancement Program. The District hereby covenants and obligates itself to notify the Commissioner as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 (the "State Payment Law"), to guarantee (to the extent provided therein) payment

DRAFT

of the principal of and interest on the Certificates when due. The District further covenants to deposit with the Trustee not less than three business days prior to each interest and principal payment date for the Certificates an amount sufficient to make that payment or to notify the Commissioner as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Trustee shall be required to notify the Commissioner if it becomes aware of a potential default in the payment of principal of and interest on the Certificates at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Trustee to pay the Certificates in full at maturity. The Trustee shall be required to cooperate with the District, the Commissioner and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statues, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Trustee the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Trustee prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Trustee shall be required to notify the Commissioner that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Senior Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 7. Issuance of the Certificates. Upon all acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Lease and the Certificates, the District shall proceed forthwith to cause the Trustee to issue the Certificates in the form and upon the terms set forth in the Trust Agreement. The Chair and School District Clerk, or their respective authorized designees, are hereby authorized to approve the final terms of the Certificates, which approval shall be conclusively evidenced by the execution of the Trust Agreement by said officers. The Certificates shall be prepared, executed and delivered as prescribed in the Trust Agreement and the officers of the District shall deliver to the Trustee a certified copy of this resolution and other documents required by the Trust Agreement, for delivery to or for the account of the Purchaser or the registered owners of the Certificates. The Trustee is hereby appointed authenticating agent with respect to the Certificates, and as paying agent for the Certificates pursuant to the Trust Agreement.

Section 8. Official Statement. The Preliminary Official Statement dated as of November 7, 2022 (the "Preliminary Official Statement"), prepared by the District and PFM Financial Advisors LLC and distributed by PFM Financial Advisors LLC, on behalf of the District, is hereby ratified and approved. District officials and staff and PFM Financial Advisors LLC are hereby authorized, on behalf of the District, to prepare and distribute, with the approval of the Senior Financial Officer of the District, or any authorized designee, any supplements to the Preliminary Official Statement necessary in connection with the offering and sale of the Certificates. District officials and staff and PFM Financial Advisors LLC and the District are hereby further authorized to prepare and distribute to the Purchaser, within seven business days from the date hereof, a final supplement to the Preliminary Official Statement or a final Official Statement listing the offering

DRAFT

price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Certificates required to be included in the final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Final Official Statement"). The officers of the District are authorized in connection with the delivery of the Certificates to sign such certificates as may be necessary with respect to the completeness and accuracy of the Preliminary Official Statement and the Final Official Statement, which Final Official Statement is also hereby approved, with such changes and additions as the Senior Financial Officer of the District, or his designees, may authorize.

Section 9. Tax Matters.

(a) Covenant. The District covenants and agrees with the owners from time to time of the Certificates, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest component of the Rental Payments payable under the Lease and received by the registered owners of the Certificates to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code") and any regulations issued thereunder (the "Treasury Regulations"), in effect at the time of such action, and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within their powers which may be necessary to ensure that the interest component of the Rental Payments payable under the Lease and received by the registered owners of the Certificates will not become subject to taxation under the Code and the Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Certificates. So long as the Certificates are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the Project (as defined in the Lease) which would cause the Lease and Certificates to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

(b) Tax Certificate. The Chair and School District Clerk, or their respective authorized designees, being the officers of the District charged with the responsibility for issuing the Lease and Certificates pursuant to this resolution, are authorized and hereby directed to execute and deliver a certificate (the "Tax Certificate") in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Treasury Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Lease and Certificates which make it reasonable to expect that the proceeds of the Lease and Certificates will not be used in a manner that would cause the Lease and Certificates to be an arbitrage bond within the meaning of the Code and Treasury Regulations.

(c) Arbitrage Rebate. The District acknowledges that the Lease and Certificates are subject to the arbitrage rebate requirements of Section 148(f) of the Code. The District covenants and agrees to make computations, retain records and pay amounts to the United States at the times and in the manner required by said Section 148(f)(4)(D) of the Code. The District reserves the right to avail itself of any of the spending exceptions to arbitrage rebate set forth in Section 148(f) of the Code and related Treasury Regulations.

DRAFT

Section 10. Continuing Disclosure.

(a) Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

"*Annual Report*" means any annual report provided by the District pursuant to, and as described in, subsection (c) of this section.

"*Beneficial Owner*" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Certificates for federal income tax purposes.

"*EMMA*" means the MSRB's Electronic Municipal Market Access system available at http://emma.msrb.org.

"*Holders*" means the registered holders of the Certificates, as recorded in the registration books of the Registrar (as defined in the Trust Agreement).

"*Listed Events*" means the events listed in subsection (d) of this section.

"*MSRB*" means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"*Participating Underwriter*" means any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"*Rule*" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriters in complying with the Rule.

(c) Provision of Annual Reports.

(i) Not later than 12 months after the end of each fiscal year of the District (the "Submission Deadline") (the first report being due not later than 12 months after June 30, 2022), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District's fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under subsection (d), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on

DRAFT

EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

(ii) The Annual Report must contain or include by reference the following:

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA within 10 days of when they become available.

(2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Certificates under the following headings or captions, which information may be unaudited:

(A) Financial Summary
(B) Indebtedness
(C) Property Valuations and Taxes
(D) Financial Information

(iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

(d) Reporting of Significant Events.

DRAFT

(i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Certificates, all pursuant to the provisions of this subsection (d):

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

DRAFT

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in subparagraph (15) and (16) above, the term "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

(ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred and the District has determined that such Listed Event is material under applicable federal securities laws, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this subsection (d) any earlier than the notice (if any) of the underlying event is given to Holders of affected Certificates pursuant to the Trust Agreement.

DRAFT

(e) Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

(f) Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

(g) Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

(i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Certificates, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under subsection (d), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(h) Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or

DRAFT

any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

(i) Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under the Lease, the Trust Agreement or this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

DRAFT

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2022-0057

RESOLUTION AMENDING POLICY 1692

WHEREAS, The Board's Policy Committee has recommended the proposed changes.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors, Special School District No. 1 (Minneapolis Public Schools) adopts the changes as follows:

SECTION 1: **AMENDMENT** "Policy 1692: School Site Councils" of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

DRAFT

AMENDMENT

Policy 1692: School Site Councils

1. **PURPOSE**
   The Board of Directors of Minneapolis Public Schools is committed to providing support for innovation and excellence in each of its schools ~~and programs~~. The collective efforts of students, teachers, parents/caregivers, administrators, the local community and supporting central offices staff toward student success are necessary to meet the academic, cultural, and social needs of Minneapolis students. Combined efforts of all school stakeholders are necessary to meet the district's mission, vision and strategic plan goals. Gathering the local input of school stakeholders to improve the academic achievement and culture and climate~~emotional and social growth~~ of students attending that school is valuable and necessary to maximize all efforts toward improving and maintaining student success and growth. A representative council of school stakeholders is the means that the Board of Directors believes will provide the input to the school's administration to affect appropriate school-based decision making, ~~and~~ support the academic achievement and growth ~~social and emotional growth~~ of all students, and improve the culture and climate for all students. The purpose of this policy is to establish the parameters in which such school site councils shall be formed and shall influence school-based decision making.
2. **GENERAL STATEMENT OF POLICY**
   a. Each district governed school shall establish a representative ~~s~~School ~~s~~Site ~~c~~Council for the purposes of implementing this policy.
   b. The School Site Council shall operate on the basis of a set of protocols in the regulation~~adopted By-Laws~~. ~~Bylaws~~The set of protocols in the regulation must conform to this and other appropriate district policies.
   c. The Superintendent is authorized to provide a ~~model~~ set of ~~By-Laws~~protocols in the regulation to guide the implementation of site councils. ~~in the development of their local by-laws. By-Laws adopted must be submitted for review to the appropriate Associate Superintendent.~~
   d. Unless a governance matter is specifically delegated to a school site council by

law, the Board of Directors or the Superintendent, governance of the school shall reside with the Superintendent or the Superintendent's designee.

e. Schools granted additional autonomies by the Superintendent shall be governed according to the written agreement made between the Superintendent and the School Site Council.

3. **SCHOOL SITE COUNCIL MEMBERSHIP AND SELECTION PROCESSES**
   a. The Principal or Site Administrator shall be a member of the School Site Council.
   b. In Pre-K- Grade 8 schools site council membership ~~should~~shall include:
      i. Parents/caregivers that reflect the racial, ethnic, and cultural, language and ability diversity of the student body.
      ii. Licensed employees that represent the various bands of grades within a school, (e.g. primary, intermediate and middle grades), special education and English Language instruction as well as the racial, ethnic and cultural diversity of the staff.
      iii. Unlicensed employees that represent the racial, ethnic and cultural diversity of the staff.
      iv. At least one local community member who resides near the school or whose business is in the school neighborhood.
   c. In Pre-K – Grade 8 schools students may be included on the school site council.
   d. In High Schools the site council membership ~~should~~shall include:
      i. Parents/caregivers that reflect the racial, ethnic, language, ability and cultural diversity of the student body.
      ii. Licensed employees that represent the various content areas, special education, English Language instruction within the school, as well as the racial, ethnic and cultural diversity of the licensed staff.
      iii. Unlicensed employees that represent the racial, ethnic and cultural diversity of the unlicensed staff.
      iv. At least one local community member who resides near the school or whose business is in the school neighborhood.
      v. Students that reflect the racial, ethnic, language, ability, and cultural diversity of the student body.
   e. In Pre-kindergarten – Grade 8 school site councils school staff shall constitute no more than ~~sixty~~fifty percent (~~6~~50%) ~~nor less than forty percent (40%) of the membership~~. In High School sites school staff shall constitute no more than ~~sixty~~fifty percent (~~6~~50%) ~~nor less than thirty-three percent (33%)~~ and shall endeavor to create a balanced representation between parents, students and staff.
   f. The process for selection of members for each representative group shall be consistent ~~with the council's by-laws~~, and may be different for each category of council membership. Processes chosen by the school site shall be those most likely to result in the representative characteristic of the council.

4. **DUTIES OF SCHOOL SITE COUNCIL**
   a. Unless otherwise delegated authority by board policy, superintendent regulation or written autonomy agreement, the duty of the site council is to

DRAFT

include parents/caregivers and students when advising the school site administrator or principal on school-based decisions in the areas listed below:

i. ~~Advise the school site administrator or principal on school-based decisions.~~
ii. ~~Review the level of s~~Student academic growth and and culture and climate ~~achievement~~ at the site based on disaggregated data for established subgroups in the school for the purposes of advising school staff on the contents of the School Improvement Plan (SIP).
iii. ~~Recommend u~~Use of compensatory education revenue, as that term is defined in applicable Minnesota Law, allocated to the school in the preparation of the annual budget.
iv. ~~Advise the school site administrator or principal on the u~~Use of the school budget allocation to support the goals established in the SIP.
v. ~~Monitor the u~~Use of the school budget so that resources are targeted to those uses and activities which will result in improved student achievement as provided for in the SIP.
vi. ~~Advise the school site administrator or principal on i~~Issues surrounding school operations and local school rules.
~~vii. Communicate regularly with the school community about school based decisions, and decisions affecting the school.~~

b. At least once per academic year, the School Site Council shall host a meeting for all school stakeholders for the purpose of receiving advice and comment regarding the level of student achievement and culture and climate at the site and inform how to improve it, the site operations for students and parents/caregivers and other issues regarding the school important to them.
c. The School Site Council does not have the authority to make decisions that are not specifically delegated to it, nor may it make decisions that are contrary to the goals and the policies of the Board of Directors or the Superintendent's regulations or priorities.
d. Consistent with Minnesota law, the Board of Directors, not the School Site Council, remains responsible for legally entering into contracts and for the expenditure of all revenue received by the District or any of its schools ~~or programs~~ consistent with District procedures.

5. **DUTIES OF SCHOOL SITE COUNCIL MEMBERS**
   a. Each member of the school site council is representative of a category of school stakeholders, and is accountable to that category of school stakeholder to represent the concerns of that category as a whole.
   b. Each member of the school site council shall regularly communicate with the category of the school stakeholders that the member represents to gain advice, input and to gather concerns that need to be considered by the council.
   c. Each member of the school site council shall regularly communicate with the category of the school stakeholders that the member represents about school site council decisions and school-based decision making.
   d. Each member of the school site council ~~should~~shall commit to acting in the best interests of all students enrolled in the school.
6. **RESPONSIBILITIES**

DRAFT

a. The Superintendent is authorized to promulgate regulations to implement this policy.

b. The principal or, where no principal is assigned, the site administrator of each school site is responsible for assuring that all school-based decisions are consistent with Board of Directors policies and the priorities of the Superintendent.
c. The Superintendent shall initiate a method of accountability for the implementation of this policy.
d. The Superintendent shall provide the Board with written reports regarding the implementation of this policy which shall include the demographics of district site council membership.

Original Adoption:
02/25/1992

Revision Dates:
06/04/2002, 3/10/2015

Legal References:

- Minn. Stat. §123B.04 (Site Decision Making; Individualized Learning Agreement; Other Agreements)
- Minn. Stat. §126C.15 (Basic Skills Revenue; Compensatory Education Revenue)

MPS Policy Cross References:

- Policy 4200 (Personnel Data)
- Policy 5690 (Student Data)
- Policy 1150 (Media Relations)
- Policy 1310 (Parent-Teacher Association…and Other School-Community Organizations)
- Policy 1450 (Volunteers)
- Policies 3000-3004 (Code of Ethics)
- Policy 2100 (Superintendent: Roles and Responsibilities)
- Policy 3005 (Budget)
- Policy 5460 (Dress)
- Policy 6000 (Mission of the Educational Program)
- Policy 6110 (Academic Goals)
- Policy 7960 (Naming Schools and District Property)

DRAFT

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS NOVEMBER 15, 2022.

	AYE	NAY	ABSENT	ABSTAIN
Ali	X			
Arneson	X			
Booker	X			
Caprini	X			
Cerrillo	X			
El-Amin	X			
Ellison	X			
Inz	X			
Jourdain	X			

Presiding Officer



Kim Ellison, Chair, Minneapolis Public Schools

Attest



Nelson Inz, Clerk, Minneapolis Public Schools

DRAFT

Minneapolis Public Schools
Special District No. 1

Communications Letter

June 30, 2022

Minneapolis Public Schools
Special District No. 1
Table of Contents

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements	1
Material Weakness	3
Significant Deficiency	4
Required Communication	5
Financial Analysis	10
Legislative Summary	22
Emerging Issues	24

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management
Minneapolis Public Schools Special District No. 1
Minneapolis, Minnesota

In planning and performing our audit of the basic financial statements of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies below that we consider to be a material weakness and significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.

- *Probable*. The future event or events are likely to occur.

The material weakness identified is stated within this letter.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The significant deficiency identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated November 28, 2022, on such statements.

This communication, which is an integral part of our audit, is intended solely for the information and use of management, the School Board and others within the District, and state oversight agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

BerganKDV, Ltd.

Minneapolis, Minnesota
November 28, 2022

Minneapolis Public Schools
Special District No. 1
Material Weakness

Prior Period Adjustment

During the course of our engagement, a prior period adjustment was recognized that had not been recognized in the correct reporting period, therefore resulting in a material misstatement of the District's prior year basic financial statements. The District's internal controls were not sufficient to detect the misstatement in a timely basis. In order to ensure the basic financial statements were free from material misstatements, a prior period adjustment was necessary to correct an understatement of fund balance in the Debt Service Fund and overstatement of fund balance in the Post Employment Benefit debt service fund.

Minneapolis Public Schools
Special District No. 1
Significant Deficiency

Lack of Segregation of Accounting Duties
The District had a lack of segregation of accounting duties. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation.

Segregation of Accounting Duties Relates to Four Key Areas – initiation/authorization, processing/recording, reconciling/reporting of financial data, and custody of assets. This lack of segregation can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- *Financial Closing Process* – Certain employees record transactions and reconcile balances at the end of the year without evidence of review by another employee.

Minneapolis Public Schools
Special District No. 1
Required Communication

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit
As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*
As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Minneapolis Public Schools
Special District No. 1
Required Communication

Our Responsibility in Relation to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks of material misstatement:

- Management Override of Controls – Overall Financial Statements – Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- Improper Revenue Recognition – Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exit surrounding the calculation and recording of various revenue sources.
- Misappropriation of Assets – If duties cannot be appropriately segregated, there is a risk of unauthorized transactions being made by the District.

Minneapolis Public Schools
Special District No. 1
Required Communication

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies
Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates
Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Expense Allocation – Certain expenses are allocated to programs based on an estimate of the benefit to that particular program. Examples are salaries, benefits, and supplies.

General Education and Special Education Aid – General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Net Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the District for post employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Qualitative Aspects of the District's Significant Accounting Practices (Continued)

Financial Statement Disclosures
Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit
We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements
For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

We identified the following uncorrected misstatement of the financial statements. Management has determined its effect is immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole and each opinion unit.

- Amounts due from the Minnesota Department of Education and related revenues are overstated.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management
We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Minneapolis Public Schools
Special District No. 1
Required Communication

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating, and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

Minneapolis Public Schools
Special District No. 1
Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report contains a summary of legislative changes affecting school districts from the most recent session. The following provides some state-wide funding and financial trend information.

Average Daily Membership and Pupil Units
The largest single funding source for Minnesota school districts is basic General Education Aid. Each year, the State Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

	General Education Aid Formula Allowance	
Year	Amount	Percent Increase
2013	$ 5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%

* General Education Aid - Of the $529 increase over 2014, $105 is for inflation at 1.9%; the remaining $424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

Minneapolis Public Schools
Special District No. 1
Financial Analysis

Average Daily Membership and Pupil Units Served

Approximately 58% of the District's General Fund revenue is from the state. A majority of this funding is based on student counts, so an understanding of the District's population trends is critical to overall budgeting plans. The following summarizes resident ADM of the District over the past five years ended June 30:

Students (Resident ADM)	2018	2019	2020	2021	2022
Kindergarten and other	5,031	4,965	4,972	4,437	4,448
Elementary	25,298	24,609	24,076	22,825	21,829
Secondary	21,536	21,560	21,612	21,525	21,359
Total Students (Resident ADM)	**51,865**	**51,133**	**50,660**	**48,788**	**47,636**



* Estimate as of November 14, 2022

In 2022, total resident ADM decreased by 1,152 from the prior year, a decline of 2.4%.

To calculate a majority of the District's education aids, the ADM amounts are converted into pupil units by weighting, based on the student's grade level. These weighting factors are presented in the table on the following page.

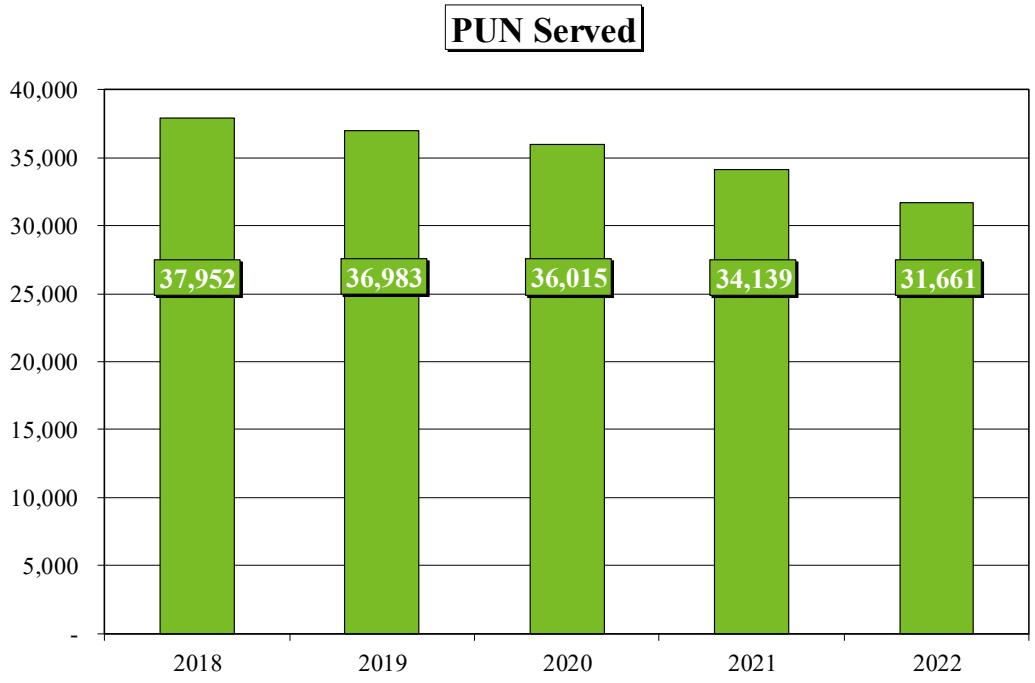
Minneapolis Public Schools
Special District No. 1
Financial Analysis

Average Daily Membership and Adjusted Pupil Units

	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Grades 1-3	Grades 4-6	Secondary
Year 2018-2022	1.000	1.000	1.000	1.000	1.200

The following chart and graph convert the ADM into adjusted pupil units (PUN) for the same five-year period, as noted on the previous page.

Adjusted PUN	2018	2019	2020	2021	2022
Residents	56,170	55,444	54,982	53,092	51,908
PUN gain	1,374	1,483	1,417	1,871	813
PUN loss	(19,593)	(19,944)	(20,383)	(20,825)	(21,060)
Total Adjusted PUN	**37,952**	**36,983**	**36,015**	**34,139**	**31,661**



* Estimate as of November 14, 2022

PUN loss is the resident students who chose open enrollment and decided to enroll at another district or charter school. PUN gain is the resident students from another school district choosing to enroll with Minneapolis Public Schools.

In 2022, total PUN served decreased by 2,478 from the prior year, a decrease of 7.3%. This was a result of a decrease in resident PUN of 1,184, a decrease in PUN gain of 1,058, and an increase in PUN loss of 235 to other districts.

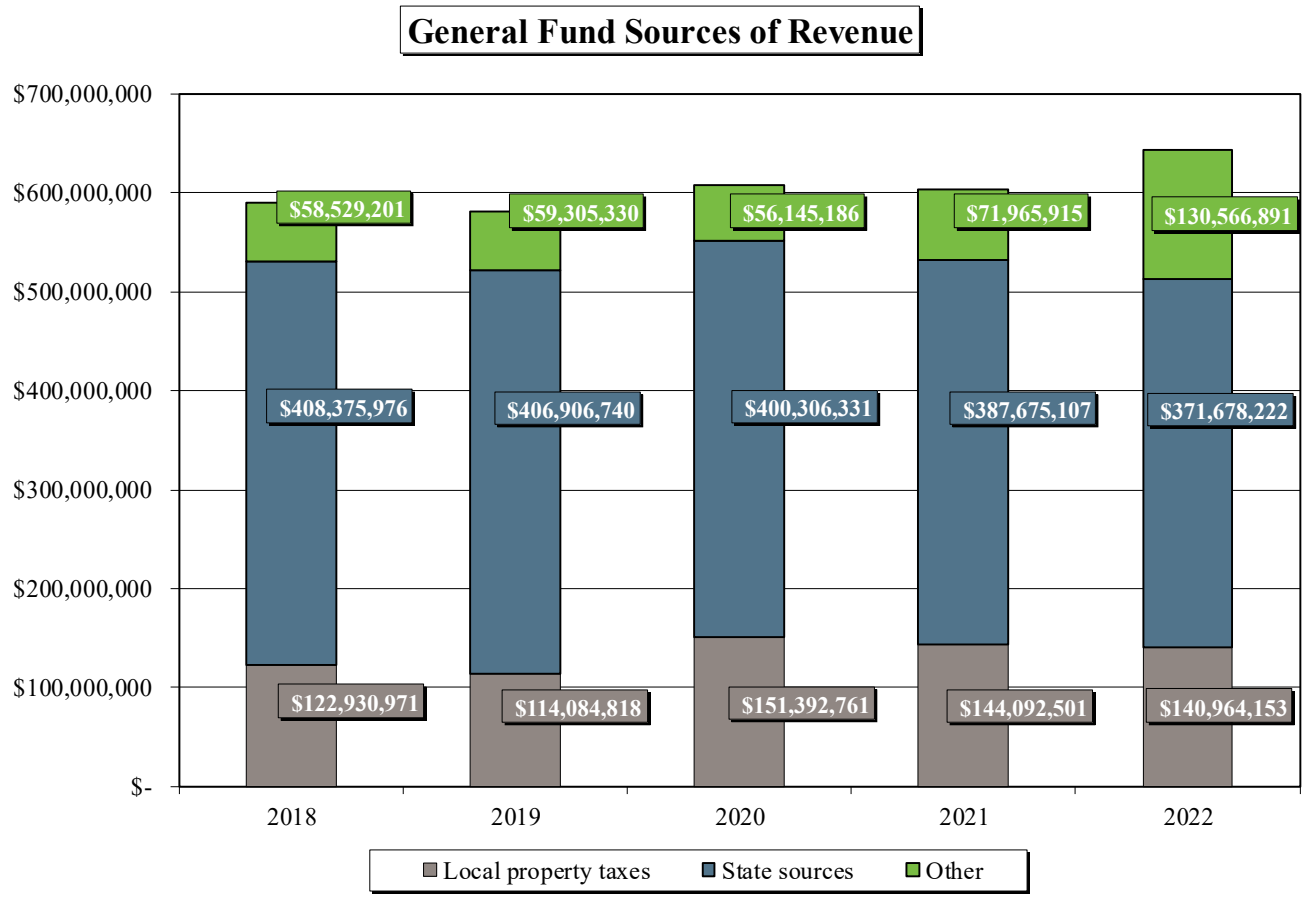
Minneapolis Public Schools
Special District No. 1
Financial Analysis

General Fund Sources of Revenue

General Fund sources of revenue are summarized as follows:

For the Year Ended June 30,	2018	2019	2020	2021	2022
Local property taxes	$ 122,930,971	$ 114,084,818	$ 151,392,761	$ 144,092,501	$ 140,964,153
State sources	408,375,976	406,906,740	400,306,331	387,675,107	371,678,222
Other	58,529,201	59,305,330	56,145,186	71,965,915	130,566,891
Total	**$ 589,836,148**	**$ 580,296,888**	**$ 607,844,278**	**$ 603,733,523**	**$ 643,209,266**

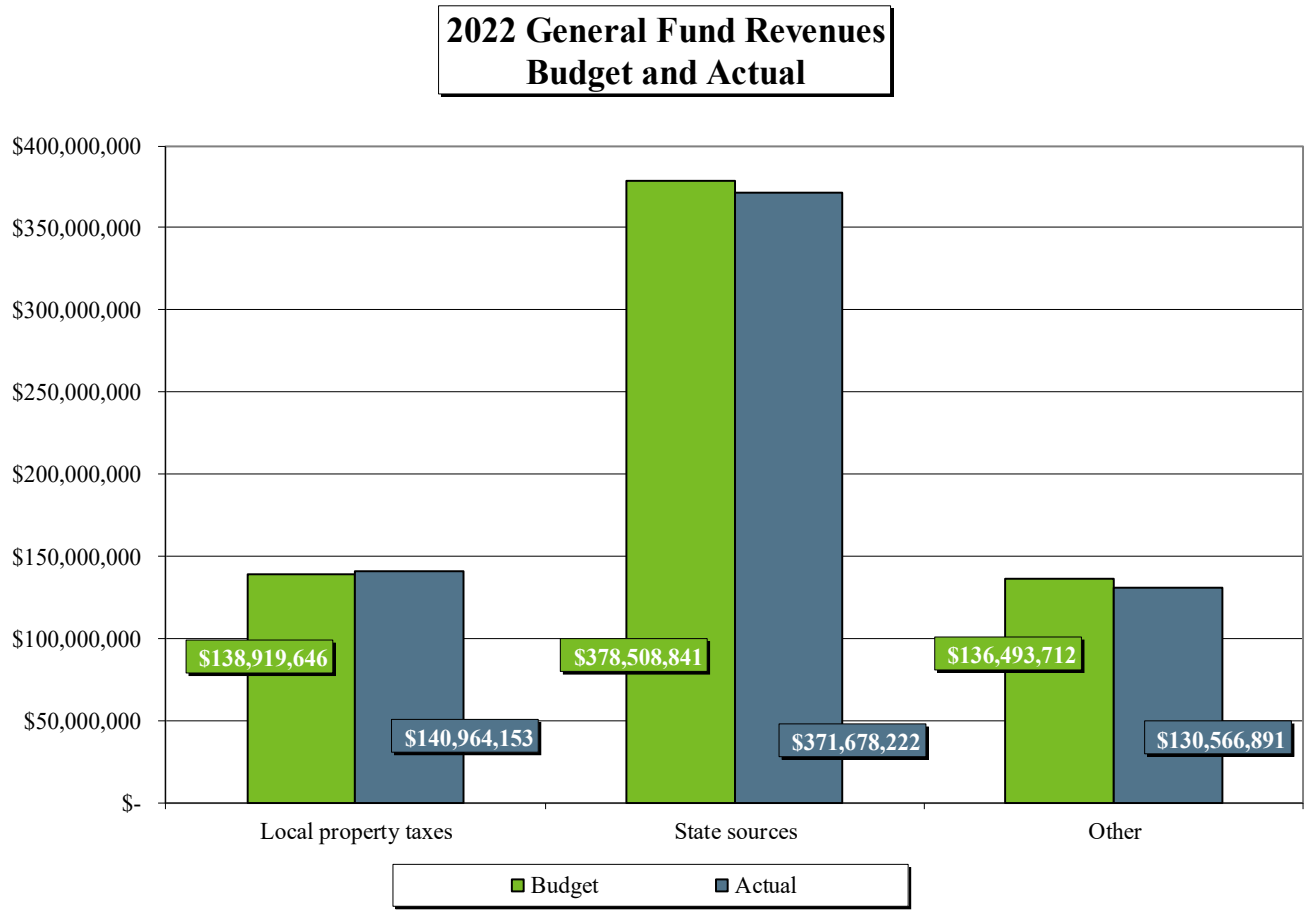
Revenue increased from the prior year by $39,475,743, or 6.5%, mainly due to an increase in revenue from federal sources. General Fund revenues over the past five years are portrayed in the following graph.



Minneapolis Public Schools
Special District No. 1
Financial Analysis

General Fund Revenues - Budget and Actual

The District approved a revenue budget of $653,922,199. Actual revenues of $643,209,266 were $10,712,933, or 1.6%, under budget.



Revenues from local property taxes were consistent with budgeted amounts. Revenue from other sources were $5,926,821 under budget. This was a result of budgeting for a positive interest earnings that actually was negative due to the poor market conditions during the year. Revenues from State sources were under budget $6,830,619 as a result of less students enrolled than anticipated.

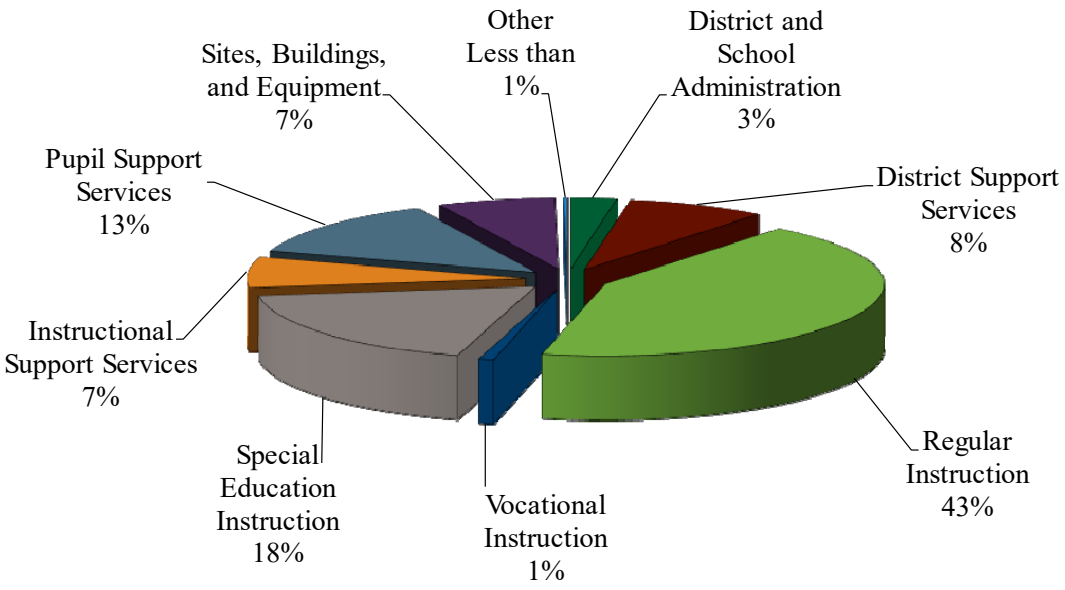
General Fund Expenditures

On the following page is the allocation of expenditures by program for the past two years. Overall, expenditures in the General Fund increased $63,259,404 or 10.8%, from 2021 to 2022. District support services increased $25,129,329 as a result of implementing GASB 87. Pupil support services increased $18,632,583 due to higher transportation costs in fiscal year 2022. Regular instruction increased by $15,357,302 primarily due to an increase in wages and benefits. Fiscal and other fixed costs programs decreased $5,054,604 due to less insurance to cover District's liabilities. Special education instruction decreased $2,982,829 as a result of lower health insurance costs.

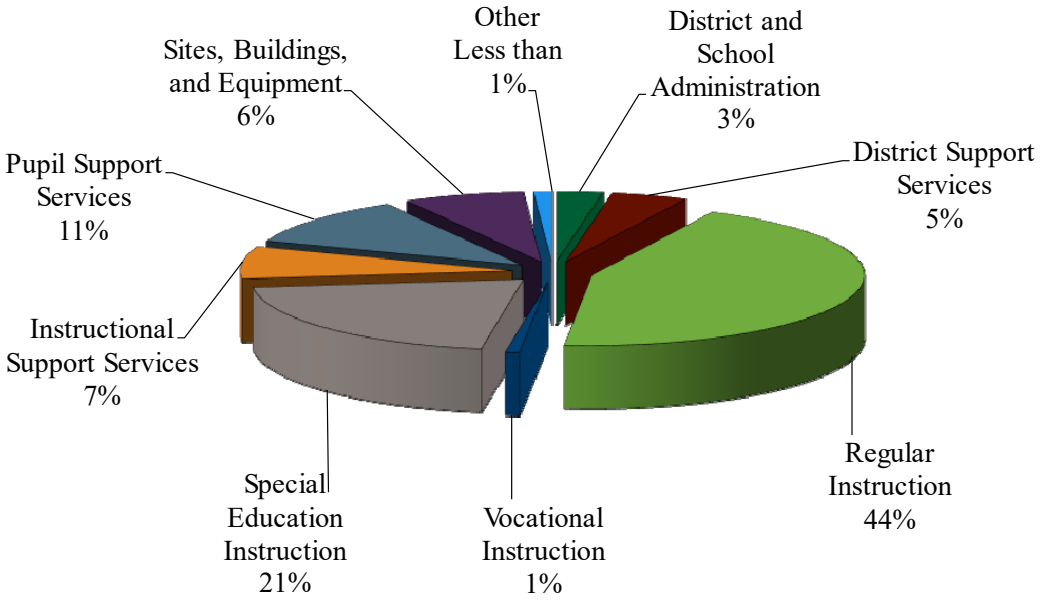
General Fund Expenditures (Continued)

The three instruction categories, regular, vocational, and special education comprise 62% of the total District expenditures for 2022 compared to 66% in 2021.

2022 General Fund Expenditures
$648,092,582

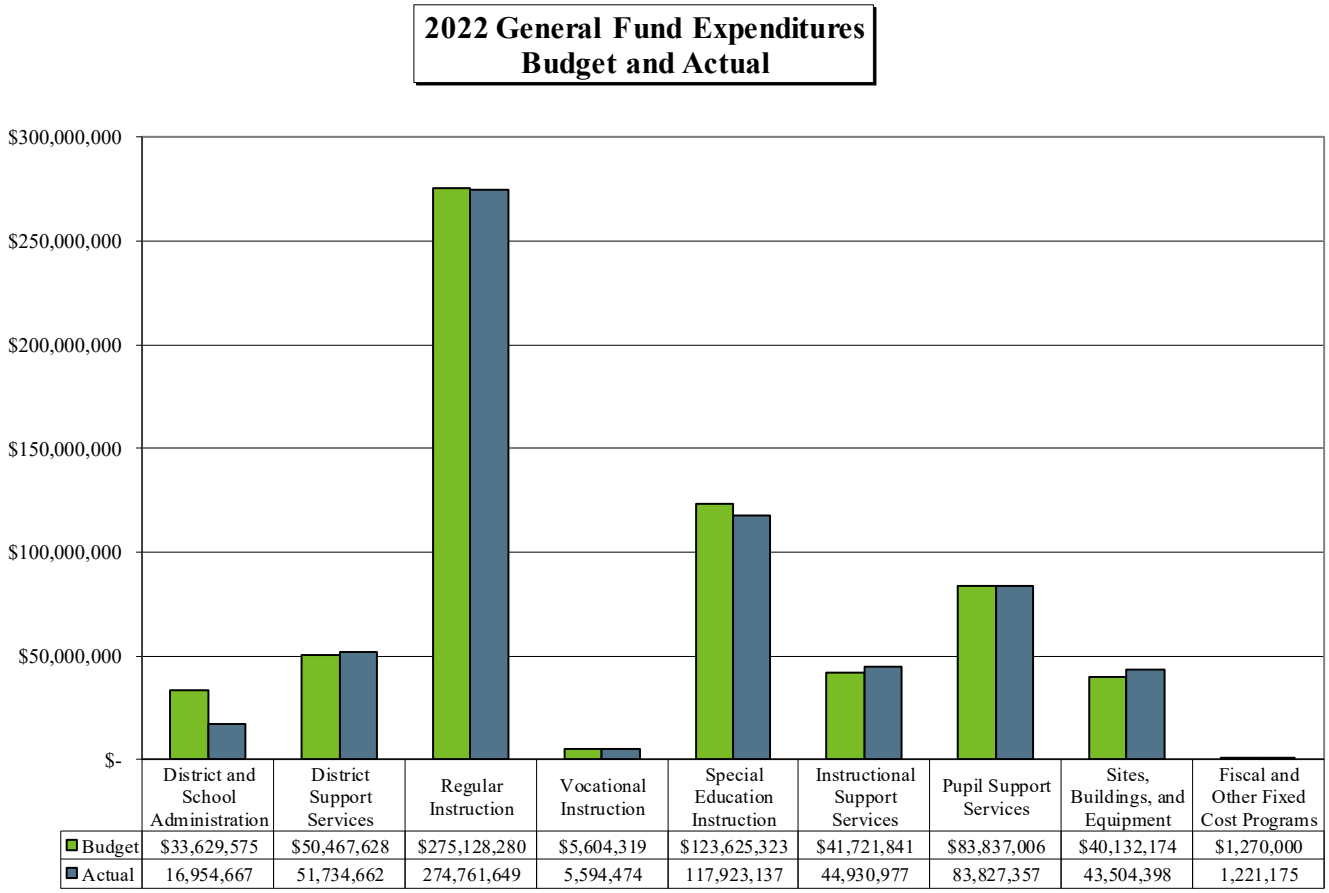


2021 General Fund Expenditures
$584,833,448



Minneapolis Public Schools
Special District No. 1
Financial Analysis

General Fund Expenditures - Budget and Actual



	District and School Administration	District Support Services	Regular Instruction	Vocational Instruction	Special Education Instruction	Instructional Support Services	Pupil Support Services	Sites, Buildings, and Equipment	Fiscal and Other Fixed Cost Programs
Budget	$33,629,575	$50,467,628	$275,128,280	$5,604,319	$123,625,323	$41,721,841	$83,837,006	$40,132,174	$1,270,000
Actual	16,954,667	51,734,662	274,761,649	5,594,474	117,923,137	44,930,977	83,827,357	43,504,398	1,221,175

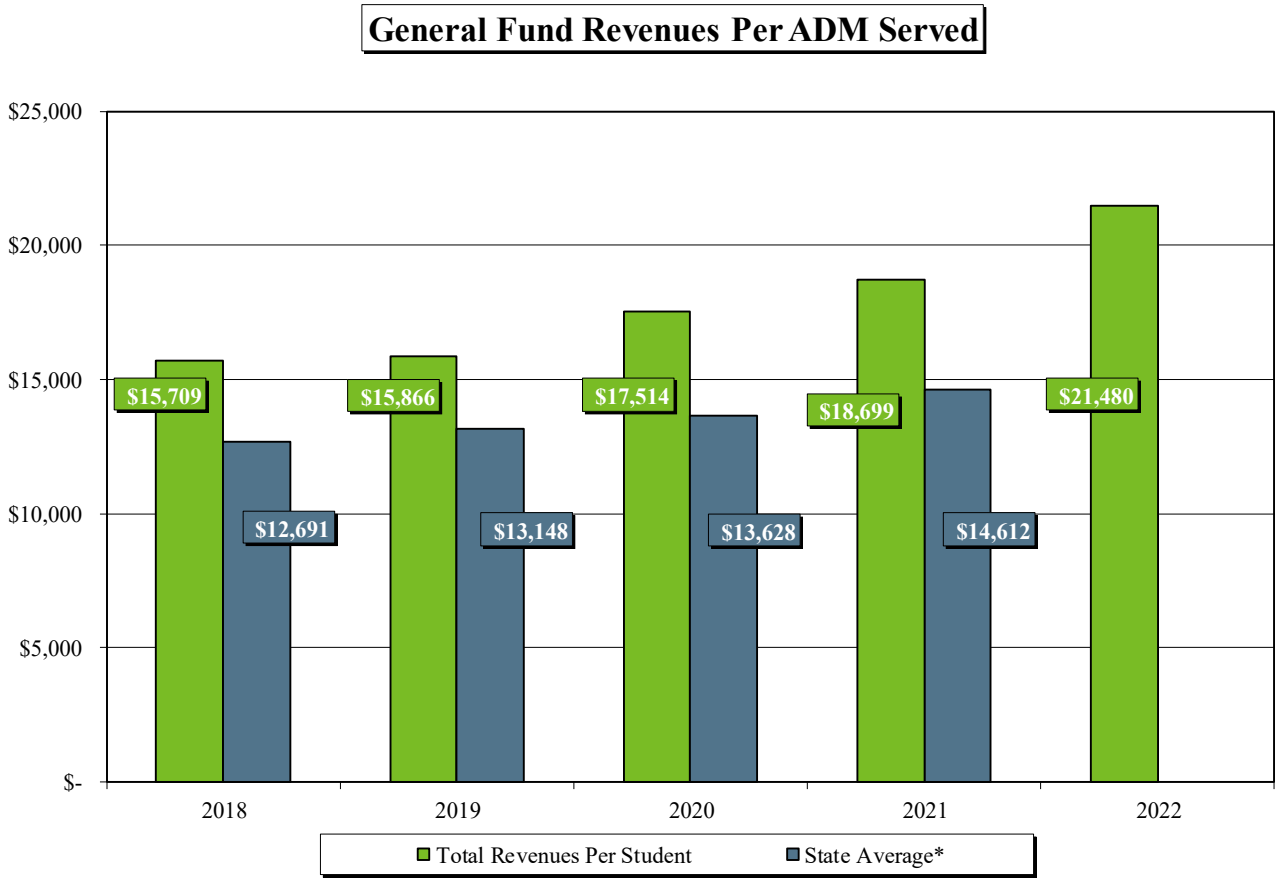
Overall, General Fund expenditures of $648,092,852 were $7,415,816, or 1.1%, under budget. After factoring out activity related to the implementation of GASB 87, expenditures were under budget by $31,123,708, or 4.7%. District and school administration was under budget by $16,674,908 as a result of budgeting for grant activity that ultimately was coded to other programs as well as budgeting for positions that were vacant during the year. Special education instruction was $5,702,186 under budget due to less special education needs than anticipated. Sites, building, and equipment was over budget by $3,372,224 as a result of not budgeting for GASB 87 activity. Instructional support services were $3,209,136 over budget due to teacher stipends and other negotiated items from the collective bargaining agreements.

Minneapolis Public Schools
Special District No. 1
Financial Analysis

Revenues Per ADM Served

Special District No. 1	2018	2019	2020	2021	2022
General Fund	$ 15,709	$ 15,866	$ 17,514	$ 18,699	$ 21,480
Food Service Fund	585	607	684	665	705
Community Service Fund	814	876	822	841	989
Building Construction Fund	33	171	104	7	20
Debt Service Fund	2,040	2,604	2,690	2,903	2,970
Post Employment Debt Service Fund	62	65	68	74	78
Total Revenues Per Student	**$ 19,243**	**$ 20,189**	**$ 21,882**	**$ 23,189**	**$ 26,242**

State Average*	2018	2019	2020	2021	2022
General Fund	$ 12,691	$ 13,148	$ 13,628	$ 14,612	N/A
Food Service Fund	553	553	548	569	N/A
Community Service Fund	607	638	595	571	N/A
Building Construction Fund	55	112	134	82	N/A
Debt Service Fund	1,056	1,146	1,229	1,398	N/A
Total Revenues Per Student	**$ 14,962**	**$ 15,597**	**$ 16,134**	**$ 17,232**	**N/A**



* Source: *School District Profiles*; year 2022 is not yet available.
** Estimate as of November 14, 2022

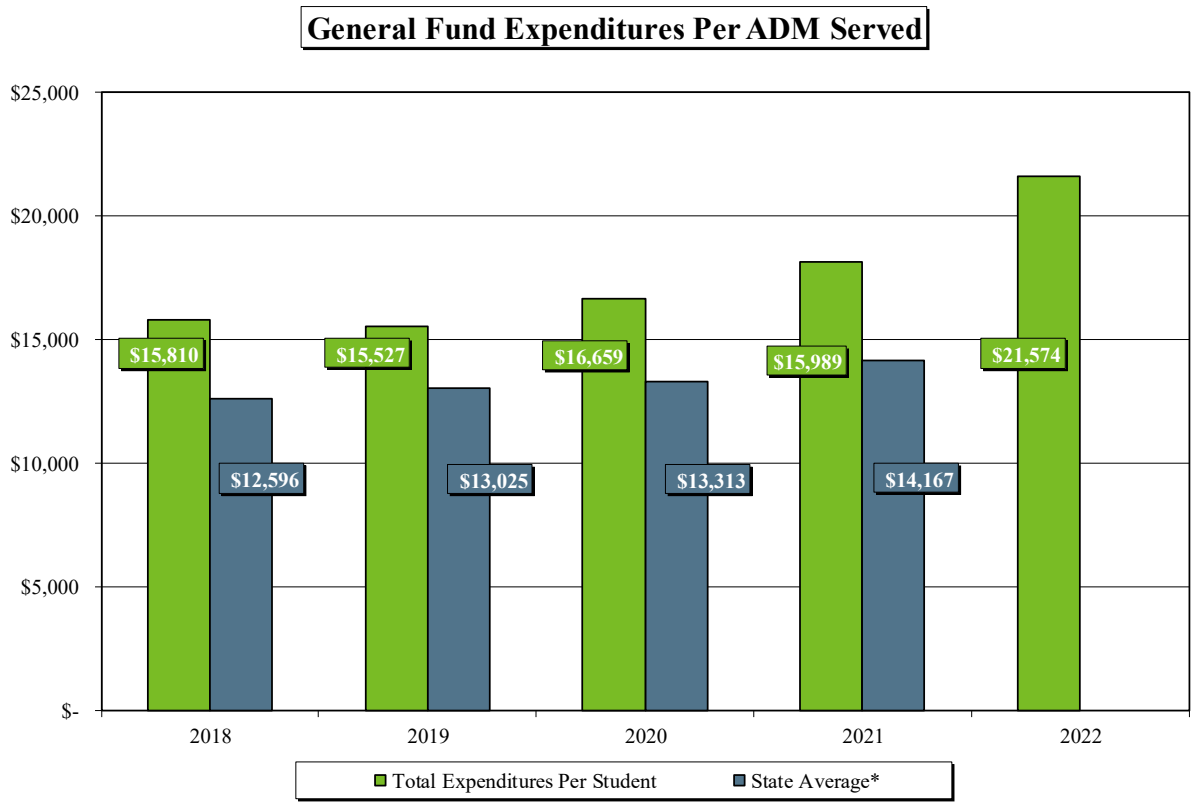
Minneapolis Public Schools
Special District No. 1
Financial Analysis

Expenditures Per ADM Served

Expenditures per student (ADM served) are summarized as follows:

Special District No. 1	2018	2019	2020	2021	2022
General Fund	$ 15,810	$ 15,527	$ 16,659	$ 18,111	$ 21,574
Food Service Fund	578	622	662	598	840
Building Construction Fund	3,028	3,188	2,628	2,233	2,442
Community Service Fund	806	904	901	845	985
Debt Service Fund	2,056	2,357	2,563	2,905	3,135
Post Employment Debt Service Fund	60	62	65	-	75
Total Expenditures Per Student	**$ 22,338**	**$ 22,660**	**$ 23,479**	**$ 24,692**	**$ 29,052**

State Average*	2018	2019	2020	2021	2022
General Fund	$ 12,596	$ 13,025	$ 13,313	$ 14,167	N/A
Food Service Fund	550	559	554	529	N/A
Community Service Fund	606	638	622	571	N/A
Building Construction Fund	1,799	1,642	2,085	2,008	N/A
Debt Service Fund	1,224	1,225	1,265	1,457	N/A
Total Expenditures Per Student	**$ 16,775**	**$ 17,089**	**$ 17,839**	**$ 18,732**	**N/A**

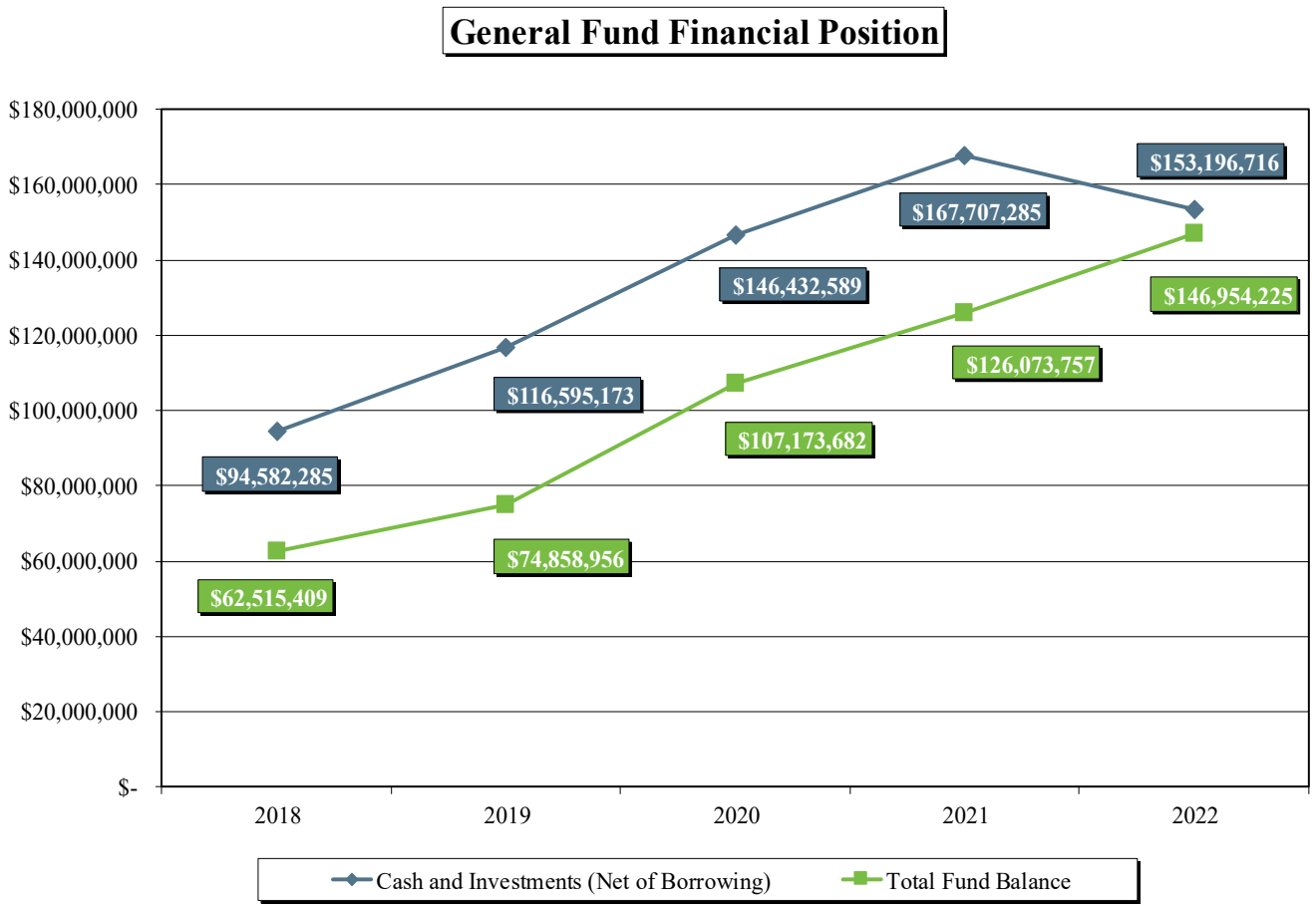


* Source: *School District Profiles*; year 2022 is not yet available.
** Estimate as of November 14, 2022

Minneapolis Public Schools
Special District No. 1
Financial Analysis

General Fund Operations

As the following graph indicates, cash and investments decreased $14,510,569 from 2021 to 2022 while total fund balance increased $18,880,468, or 22.7%.



General Fund Operations (Continued)

The following table presents five years of comparative operating results for the District's General Fund:

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	$ 589,836,148	$ 580,296,888	$ 607,844,278	$ 603,733,523	$ 643,209,266
Expenditures	(593,617,102)	(567,963,106)	(577,344,220)	(584,833,448)	(648,092,852)
Excess of revenues over (under) expenditures	(3,780,954)	12,333,782	30,500,058	18,900,075	(4,883,586)
Proceeds from sale of equipment	-	9,765	18,765	-	-
Bond proceeds	-	-	1,100,000	-	-
Lease proceeds	-	-	-		23,707,892
Insurance recovery	-	-	-	-	56,162
Fund balance, July 1	66,296,363	62,515,409	74,858,956	106,477,779	126,073,757
Change in accounting principle	-	-	-	695,903	-
Fund Balance, June 30	**$ 62,515,409**	**$ 74,858,956**	**$ 106,477,779**	**$ 126,073,757**	**$ 144,954,225**

Components of Fund Balance					
For the Year Ended June 30,	**2018**	**2019**	**2020**	**2021**	**2022**
Nonspendable	$ 90,987	$ 1,227,627	$ 1,269,376	$ 1,414,679	$ 5,294,596
Restricted for					
Area learning center	808,181	910,645	1,421,247	-	-
Student activities	-	-	725,174	572,832	570,515
Achievement and integration	-	-	2,927,601	-	-
Basic skills program	-	-	-	495,016	-
Community education programs	-	-	-	65,178	-
Operating capital	-	-	-	5,501,542	8,783,209
Contracted alternative programs	-	-	-	-	1,164,265
Gifted and talented	299,240	514,170	466,385	579,035	483,254
Health and safety	-	-	-	-	-
Basic skills extended time	-	1,235,892	2,792,710	4,610,186	6,306,894
Long-term facilities maintenance	-	(944)	160,765	156,383	156,383
Other	-	-	1,100,000	234,359	234,359
Capital projects	-	-	-	-	-
Assigned	29,671,886	32,138,104	43,737,399	57,295,506	68,347,003
Unassigned	31,645,115	38,833,462	52,573,025	55,149,041	53,613,747
Fund Balance, June 30	**$ 62,515,409**	**$ 74,858,956**	**$ 107,173,682**	**$ 126,073,757**	**$ 144,954,225**

The chart above summarizes General Fund activity and financial position for each of the last five years. The unassigned fund balance represented 8.3% of 2022 actual expenditures and represented 8.3% of 2023 budgeted expenditures. The District's fund balance policy calls for a minimum unassigned balance of 8% of the annual budgeted expenditures for the following year.

Minneapolis Public Schools
Special District No. 1
Financial Analysis

Food Service Fund

The following table presents five years of comparative operating results for the District's Food Service Fund.

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	$ 21,897,237	$ 22,062,833	$ 23,694,428	$ 21,349,575	$ 21,168,074
Expenditures	(21,646,325)	(22,624,251)	(22,955,476)	(19,211,722)	(25,223,498)
Excess of revenues over (under) expenditures	250,912	(561,418)	738,952	2,137,853	(4,055,424)
Proceeds from sale of equipment	1,566	-	-	-	-
Bond proceeds	-	-	-	-	-
Fund balance, July 1	2,872,815	3,125,293	2,563,875	3,302,827	5,440,680
Fund Balance, June 30	**$ 3,125,293**	**$ 2,563,875**	**$ 3,302,827**	**$ 5,440,680**	**$ 1,385,256**
Nonspendable	$ 835,232	$ 856,369	$ 1,615,465	$ 1,732,388	$ 1,505,951
Restricted for other purposes	2,290,061	1,707,506	1,687,362	3,708,292	(120,695)
Total Fund Balance, June 30	**$ 3,125,293**	**$ 2,563,875**	**$ 3,302,827**	**$ 5,440,680**	**$ 1,385,256**

Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund.

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	$ 30,506,573	$ 31,853,780	$ 28,471,098	$ 27,022,352	$ 29,701,512
Expenditures	(30,234,975)	(32,875,347)	(31,232,002)	(27,155,640)	(29,589,555)
Excess of revenues over (under) expenditures	271,598	(1,021,567)	(2,760,904)	(133,288)	111,957
Fund balance, July 1	8,704,570	8,976,168	7,954,601	5,193,697	5,060,409
Fund Balance, June 30	**$ 8,976,168**	**$ 7,954,601**	**$ 5,193,697**	**$ 5,060,409**	**$ 5,172,366**
Restricted for					
School readiness	$ 1,311,264	$ 1,842,528	$ 1,793,073	$ 2,024,215	$ 961,509
Adult basic education	1,263,834	854,424	702,422	879,610	1,340,717
Community education programs	5,212,717	4,197,002	1,949,764	1,120,064	7,786
ECFE	879,186	702,918	353,624	119,623	159,453
Other programs	309,167	357,729	394,814	916,897	2,702,901
Total Fund Balance, June 30	**$ 8,976,168**	**$ 7,954,601**	**$ 5,193,697**	**$ 5,060,409**	**$ 5,172,366**

Minneapolis Public Schools
Special District No. 1
Legislative Summary

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

State Aid Appropriations
The formula allowance for 2022 is set at $6,728 and for 2023, the formula allowance is set at $6,863.

Special Education
The special education hold harmless guarantee was limited to the sum of 80% in 2022 and 75% in 2023 and later, of current year special education program costs plus 100% of special transportation costs plus the tuition adjustment. The annual inflation adjustment used in the calculation of the hold harmless will be reduced by 0.2% per year from 4.4% in 2021 until the inflation adjustment reaches 2.0%.

Coronavirus Aid, Relief, and Economic Security (CARES) Act
Funding provided includes Governor's Emergency Education Relief (GEER) funding totaling $38.1 million to MDE to be used for technology and summer school programming. Elementary and Secondary School Emergency Relief (ESSER) funding totaling $140.1 million is 90% allocated based on 2020 Title I, part A allocations and 9.5% is allocated as grants, with the remaining 0.5% available for administration. Child Nutrition Grants to States funding totaled $160.3 million. ESSER and GEER funds are eligible for spending through September 30, 2022.

Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
The CRRSA Act was signed into law on December 27, 2020, and provided an additional $2.75 billion for the Emergency Assistance for Nonpublic School Fund (EANS Fund) of which $41,697,717 was awarded to Minnesota. Funds are eligible for spending through September 30, 2023.

American Rescue Plan (ARP) Act
The ARP Act was signed into law on March 11, 2021, and focuses on returning to, and maintaining, safe in-person learning for all students.

The ARP includes $1.3 billion for E-12 education in ESSER funds for Minnesota to help schools returning to, and maintaining, safe in-person learning for all students. Per the federal law, 90% of these funds have been allocated to eligible districts and charter schools. 9.5% of these funds are for flexible use by each state education agency to create a plan to meet the needs of students. Funds are eligible for spending through September 30, 2024.

Property Tax Bill
Effective for taxes payable in 2018, there will be a property tax credit on all property classified as agricultural. The credit will be equal to 40% of the tax on the property attributable to school district bonded debt levies. The credit is increased to 50% for taxes payable in 2020, 55% for taxes payable in 2021, 60% for taxes payable in 2022, and 70% for taxes payable in 2023 and thereafter. Estimated property tax relief totals $10.9 million for pay 2020, $18.2 million for pay 2021, and $27.2 million for pay 2022.

Minneapolis Public Schools
Special District No. 1
Legislative Summary

Voluntary Prekindergarten (VPK)/School Readiness Plus
For 2022 and 2023 only, the 4,000 seats currently expiring after 2021 will continue to be funded.

Pension Bill
Augmentation has been eliminated for TRA members after December 31, 2017, and early retirement subsidies have been phased out.

Post-retirement cost of living adjustments (COLAs) have been reduced –

1) TRA – lowers the COLA from 2% to 1% for five years; then the rate will increase by 0.1% each year until it reaches 1.5%
2) PERA – the increase will be 50% of the increase for Social Security announced January 1, but not less than 0.5% or more than 1.5%
3) Defers commencement of COLA for early retirees

The rate of interest paid on refunds of employee contributions to former employees has been reduced from 4% to 3%. TRA required contributions have increased to 7.75% for employees effective for fiscal year 2024. Required employer contributions will increase 0.21% for fiscal year 2019 to fiscal year 2023 and 0.2% in fiscal year 2024 until a required contribution rate of 8.75% is reached. Pension adjustment revenue will increase to match the required contribution increases.

Minneapolis Public Schools
Special District No. 1
Emerging Issues

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update – GASB Statement No. 96 – Subscription-Based Information Technology Arrangements**
  GASB has issued GASB Statement No. 96 relating to accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement will improve financial reporting by establishing a definition for subscription-based information technology arrangements and providing uniform guidance for accounting and financial reporting for transactions that meet that definition.
- **Accounting Standard Update – GASB Statement No. 100 – Accounting Changes and Error Corrections**
  GASB has issued GASB Statement No. 100 relating to accounting and financial reporting for accounting changes and error corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability.
- **Accounting Standard Update – GASB Statement No. 101 – Compensated Absences**
  GASB has issued GASB Statement No. 101 relating to accounting and financial reporting for compensated absences. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

Accounting Standard Update – GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Accounting Standard Update – GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (Continued)

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, – which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

Minneapolis Public Schools
Special District No. 1
Emerging Issues

Accounting Standard Update – GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (Continued)

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

Accounting Standard Update – GASB Statement No. 100 – *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.

Minneapolis Public Schools
Special District No. 1
Emerging Issues

Accounting Standard Update – GASB Statement No. 100 – *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62* (Continued)

This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB Statement No. 100 is effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

Accounting Standard Update – GASB Statement No. 101 – *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

Minneapolis Public Schools
Special District No. 1
Emerging Issues

Accounting Standard Update – GASB Statement No. 101 – *Compensated Absences* (Continued)
This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.



Special School District No. 1
Minneapolis, MN

Audited Financial Statements

June 30, 2022

bergankdv

Components of the Audit

- Independent Auditor's Report - Unmodified Opinion on the District's Financial Statements for the year ended June 30 ,2022
- Report on the result of an audit performed in accordance with *Government Auditing Standards*
  - Material Weakness: Prior Period Adjustment
  - Significant Deficiency: Segregation of Accounting Duties
- Unmodified Opinion on Compliance over Major Federal Programs in accordance with Uniform Guidance – No findings
- Report on Minnesota Legal Compliance – No findings

General Fund

Budget to Actual

Budget:

- General Fund Revenue budgeted at $ 653.9 million
- General Fund Expenditures budgeted at $ 655.5 million
- $ 1.6 million decrease in fund balance budgeted

Actual:

- General Fund Revenues actually $ 643.2 million; $ 10.7 million under budget (1.6%) – Main factor includes revenue from state sources under budget by $6.8 million due to lower enrollment than anticipated and investment income under budget by $ 3.7 million due to market conditions
- General Fund Expenditures actually $ 648.1 million; $ 7.4 million under budget (1.1%) – Main factors include unfilled vacant positions, less students being served, and less special education costs - offset by activity related to leases due to implementation of GASB 87
- Fund Balance increased $ 18.9 million to $ 145 million
- Unassigned Fund Balance decreased $ 1.5 million to $ 53.6 million

General Education Aid Formula

Formula Allowance

Year	General Education Aid Formula Allowance Amount	Percent Increase
2013	$ 5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%

* General Education Aid - Of the $529 increase over 2014, $105 is for inflation at 1.9%; the remaining $424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

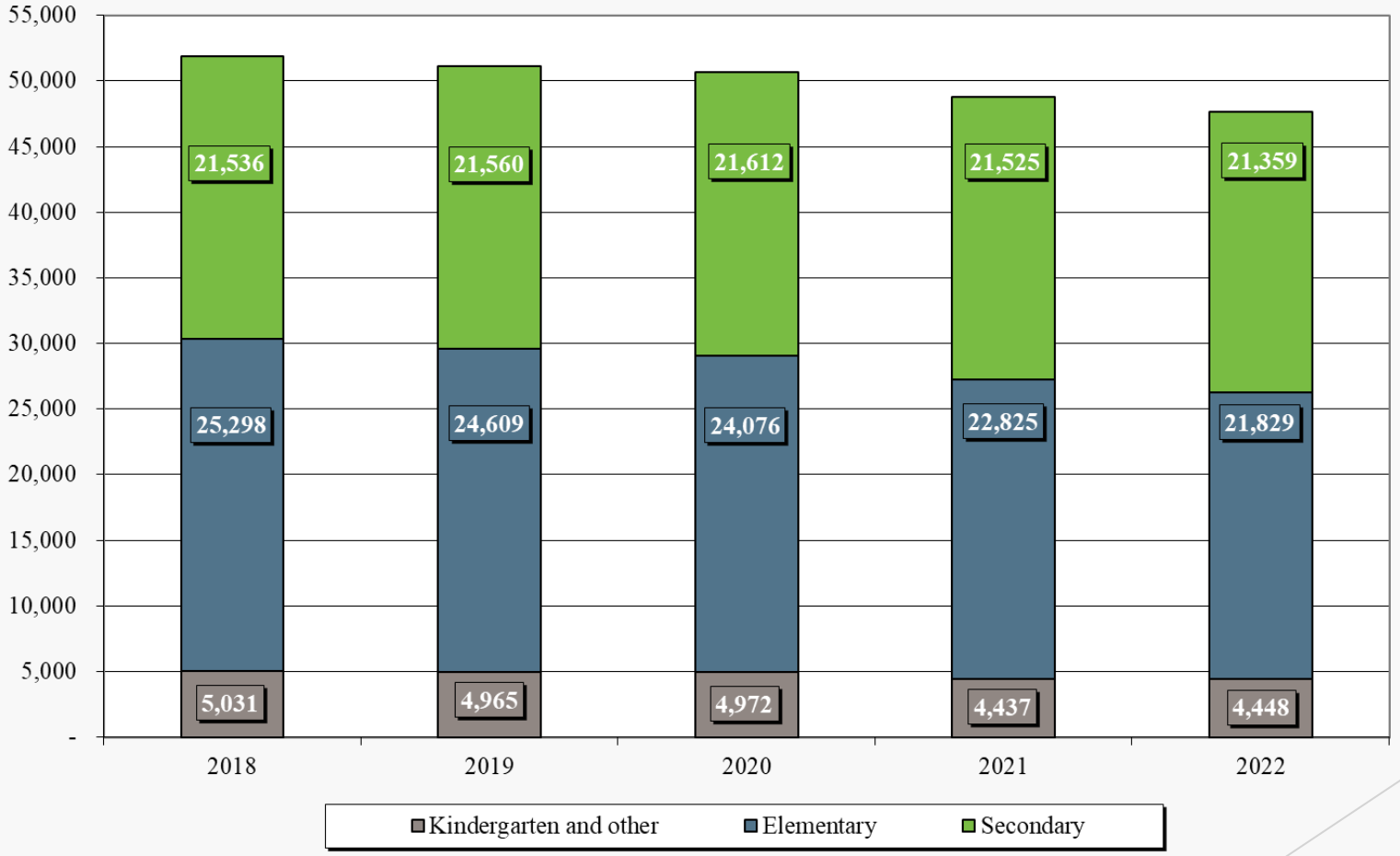
Average Daily Membership

Students (Resident ADM)

Students (Resident ADM)	2018	2019	2020	2021	2022
Kindergarten and other	5,031	4,965	4,972	4,437	4,448
Elementary	25,298	24,609	24,076	22,825	21,829
Secondary	21,536	21,560	21,612	21,525	21,359
Total Students (Resident ADM)	**51,865**	**51,133**	**50,660**	**48,788**	**47,636**

Average Daily Membership

Resident ADM



Average Daily Membership

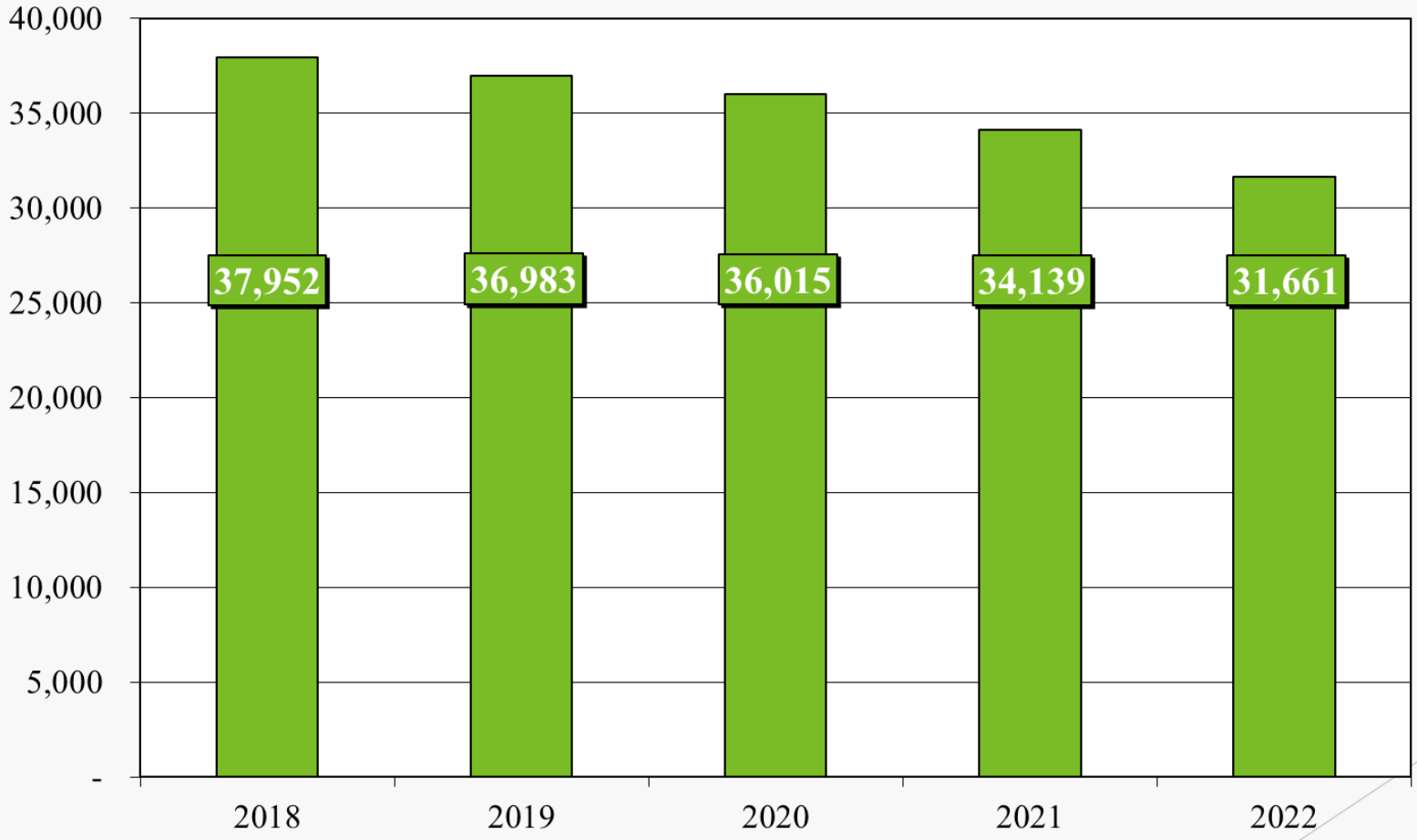
Weighting and Adjusted PUN

	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Grades 1-3	Grades 4-6	Secondary
Year 2018-2022	1.000	1.000	1.000	1.000	1.200

Adjusted PUN	**2018**	**2019**	**2020**	**2021**	**2022**
Residents	56,170	55,444	54,982	53,092	51,908
PUN gain	1,374	1,483	1,417	1,871	813
PUN loss	(19,593)	(19,944)	(20,383)	(20,825)	(21,060)
Total Adjusted PUN	**37,952**	**36,983**	**36,015**	**34,139**	**31,661**

Average Daily Membership

PUN Served



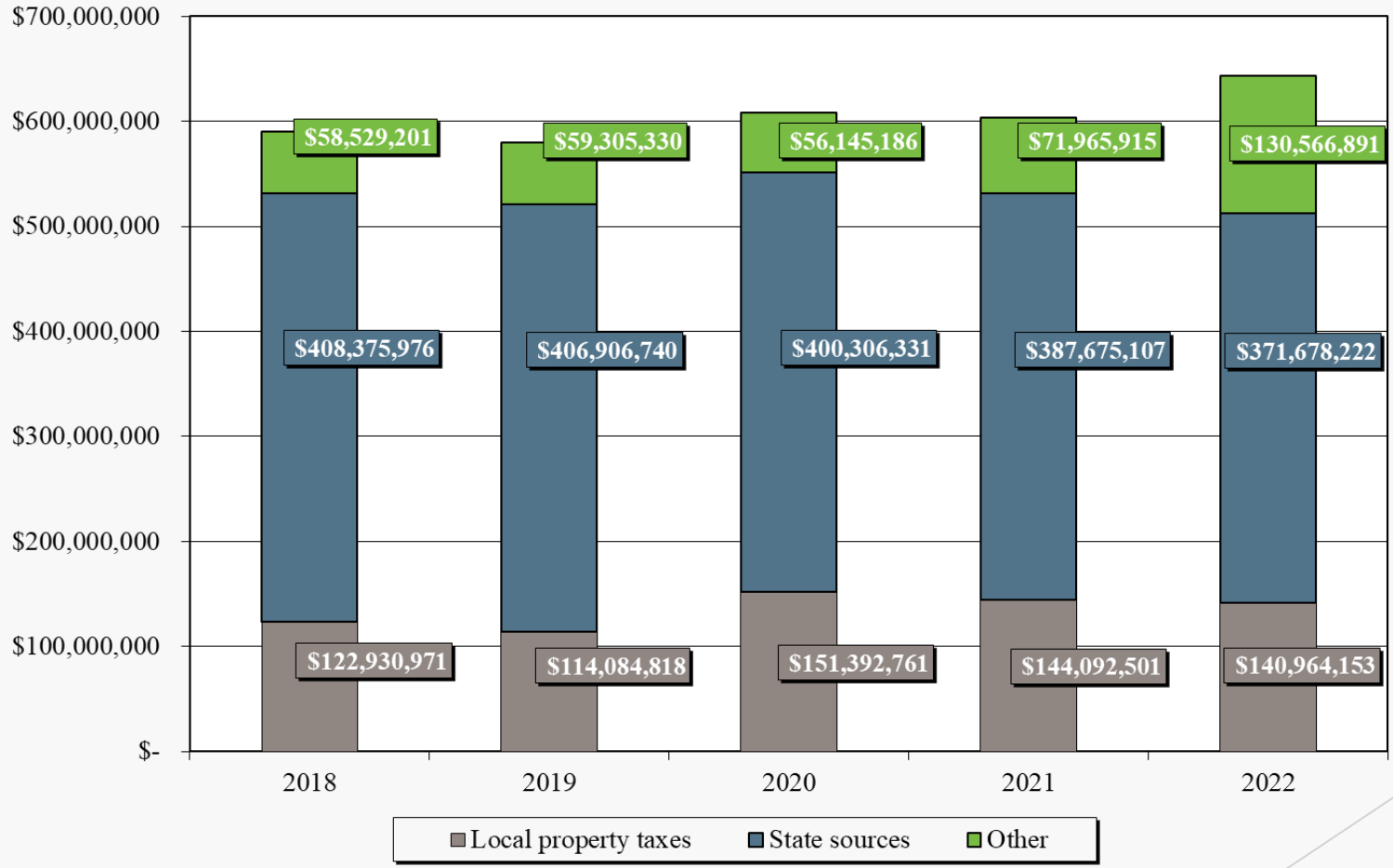
General Fund

Sources of Revenue

For the Year Ended June 30,	2018	2019	2020	2021	2022
Local property taxes	$ 122,930,971	$ 114,084,818	$ 151,392,761	$ 144,092,501	$ 140,964,153
State sources	408,375,976	406,906,740	400,306,331	387,675,107	371,678,222
Other	58,529,201	59,305,330	56,145,186	71,965,915	130,566,891
Total	**$ 589,836,148**	**$ 580,296,888**	**$ 607,844,278**	**$ 603,733,523**	**$ 643,209,266**

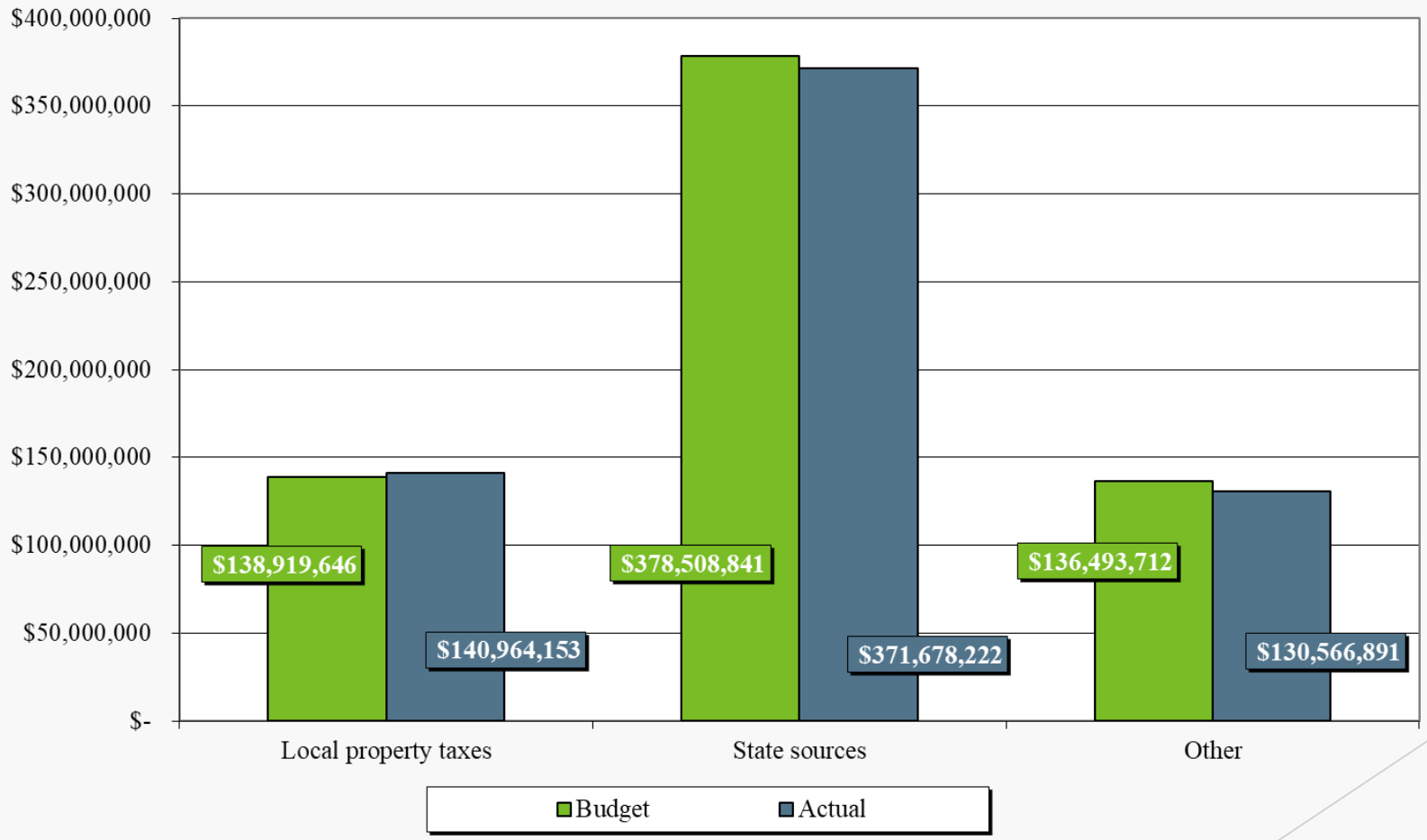
General Fund

Sources of Revenue

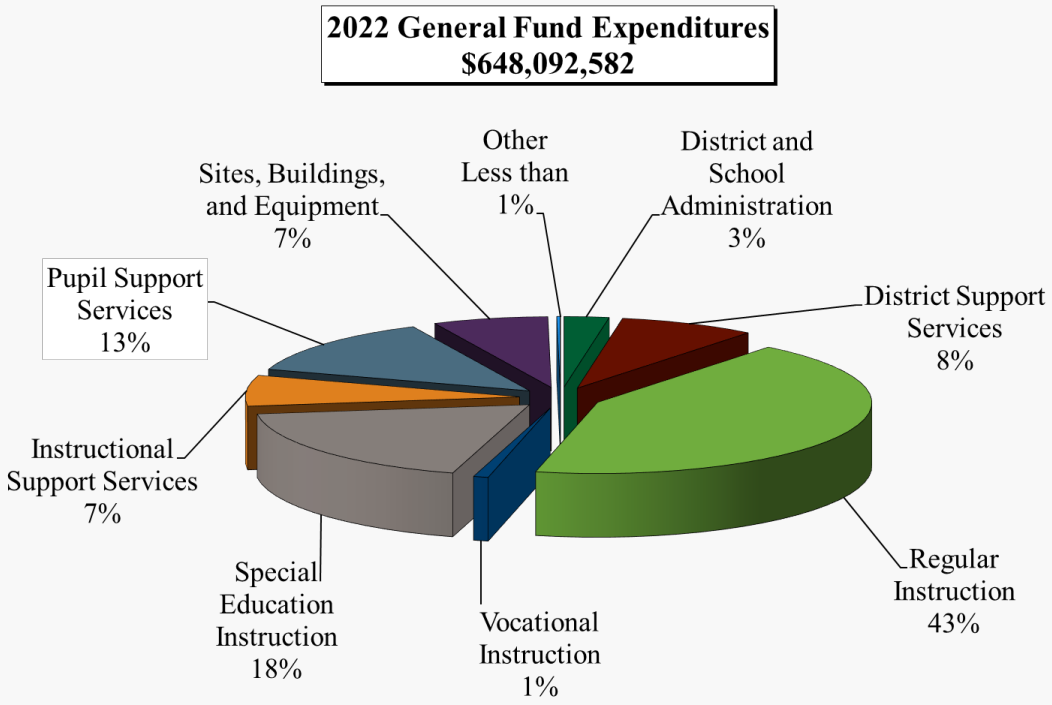


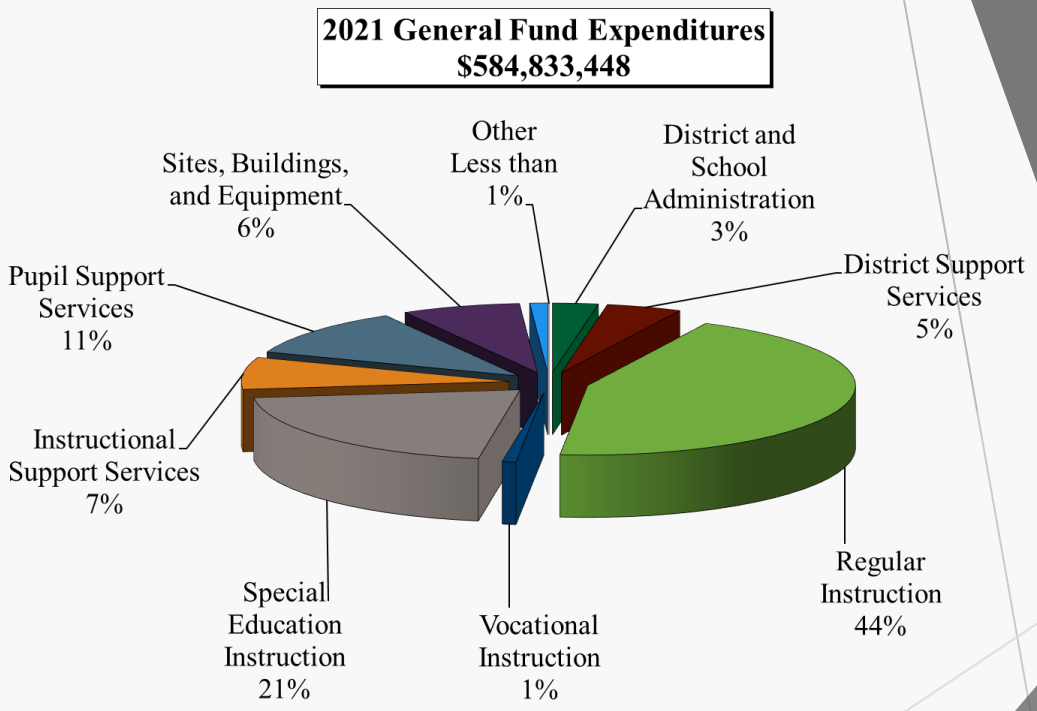
General Fund

Revenues – Budget and Actual



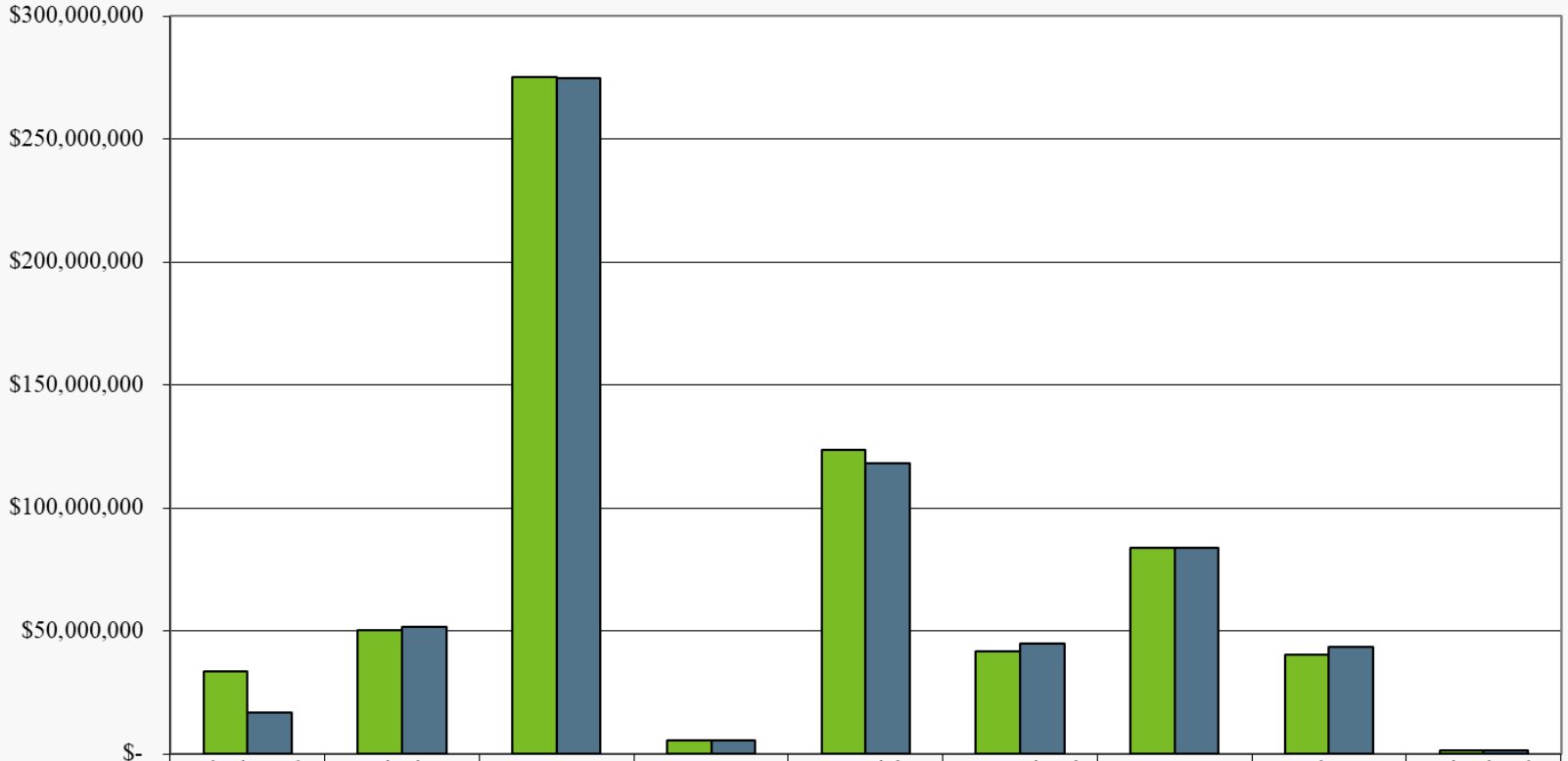
General Fund Expenditures





General Fund

Expenditures – Budget and Actual



	District and School Administration	District Support Services	Regular Instruction	Vocational Instruction	Special Education Instruction	Instructional Support Services	Pupil Support Services	Sites, Buildings, and Equipment	Fiscal and Other Fixed Cost Programs
Budget	$33,629,575	$50,467,628	$275,128,280	$5,604,319	$123,625,323	$41,721,841	$83,837,006	$40,132,174	$1,270,000
Actual	16,954,667	51,734,662	274,761,649	5,594,474	117,923,137	44,930,977	83,827,357	43,504,398	1,221,175

General Fund

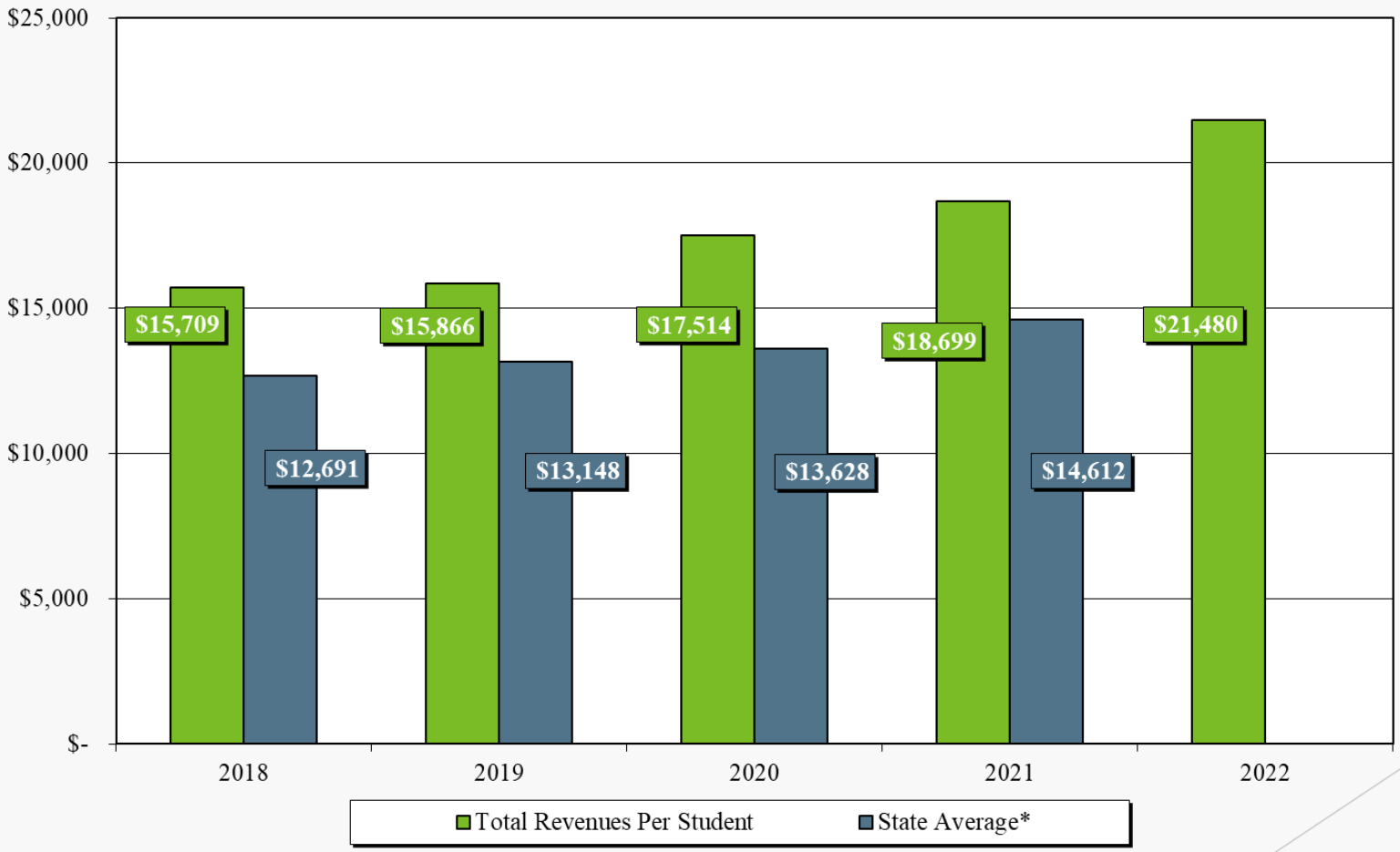
Revenues Per ADM Served

Special District No. 1	2018	2019	2020	2021	2022
General Fund	$ 15,709	$ 15,866	$ 17,514	$ 18,699	$ 21,480
Food Service Fund	585	607	684	665	705
Community Service Fund	814	876	822	841	989
Building Construction Fund	33	171	104	7	20
Debt Service Fund	2,040	2,604	2,690	2,903	2,970
Post Employment Debt Service Fund	62	65	68	74	78
Total Revenues Per Student	**$ 19,243**	**$ 20,189**	**$ 21,882**	**$ 23,189**	**$ 26,242**

State Average*	2018	2019	2020	2021	2022
General Fund	$ 12,691	$ 13,148	$ 13,628	$ 14,612	N/A
Food Service Fund	553	553	548	569	N/A
Community Service Fund	607	638	595	571	N/A
Building Construction Fund	55	112	134	82	N/A
Debt Service Fund	1,056	1,146	1,229	1,398	N/A
Total Revenues Per Student	**$ 14,962**	**$ 15,597**	**$ 16,134**	**$ 17,232**	**N/A**

General Fund

Revenues Per ADM Served



District

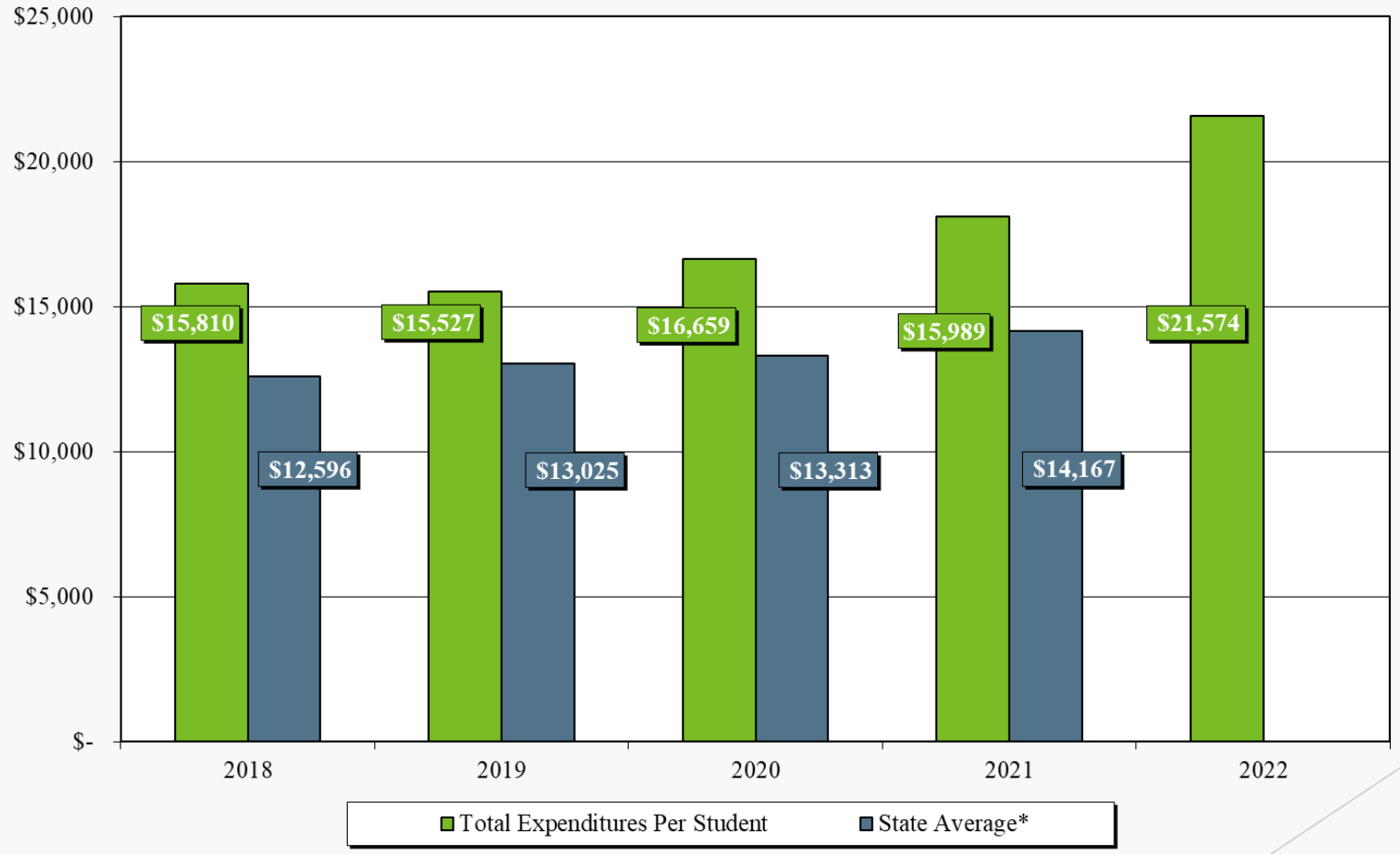
Expenditures Per ADM Served

Special District No. 1	2018	2019	2020	2021	2022
General Fund	$ 15,810	$ 15,527	$ 16,659	$ 18,111	$ 21,574
Food Service Fund	578	622	662	598	840
Building Construction Fund	3,028	3,188	2,628	2,233	2,442
Community Service Fund	806	904	901	845	985
Debt Service Fund	2,056	2,357	2,563	2,905	3,135
Post Employment Debt Service Fund	60	62	65	-	75
Total Expenditures Per Student	**$ 22,338**	**$ 22,660**	**$ 23,479**	**$ 24,692**	**$ 29,052**

State Average*	2018	2019	2020	2021	2022
General Fund	$ 12,596	$ 13,025	$ 13,313	$ 14,167	N/A
Food Service Fund	550	559	554	529	N/A
Community Service Fund	606	638	622	571	N/A
Building Construction Fund	1,799	1,642	2,085	2,008	N/A
Debt Service Fund	1,224	1,225	1,265	1,457	N/A
Total Expenditures Per Student	**$ 16,775**	**$ 17,089**	**$ 17,839**	**$ 18,732**	**N/A**

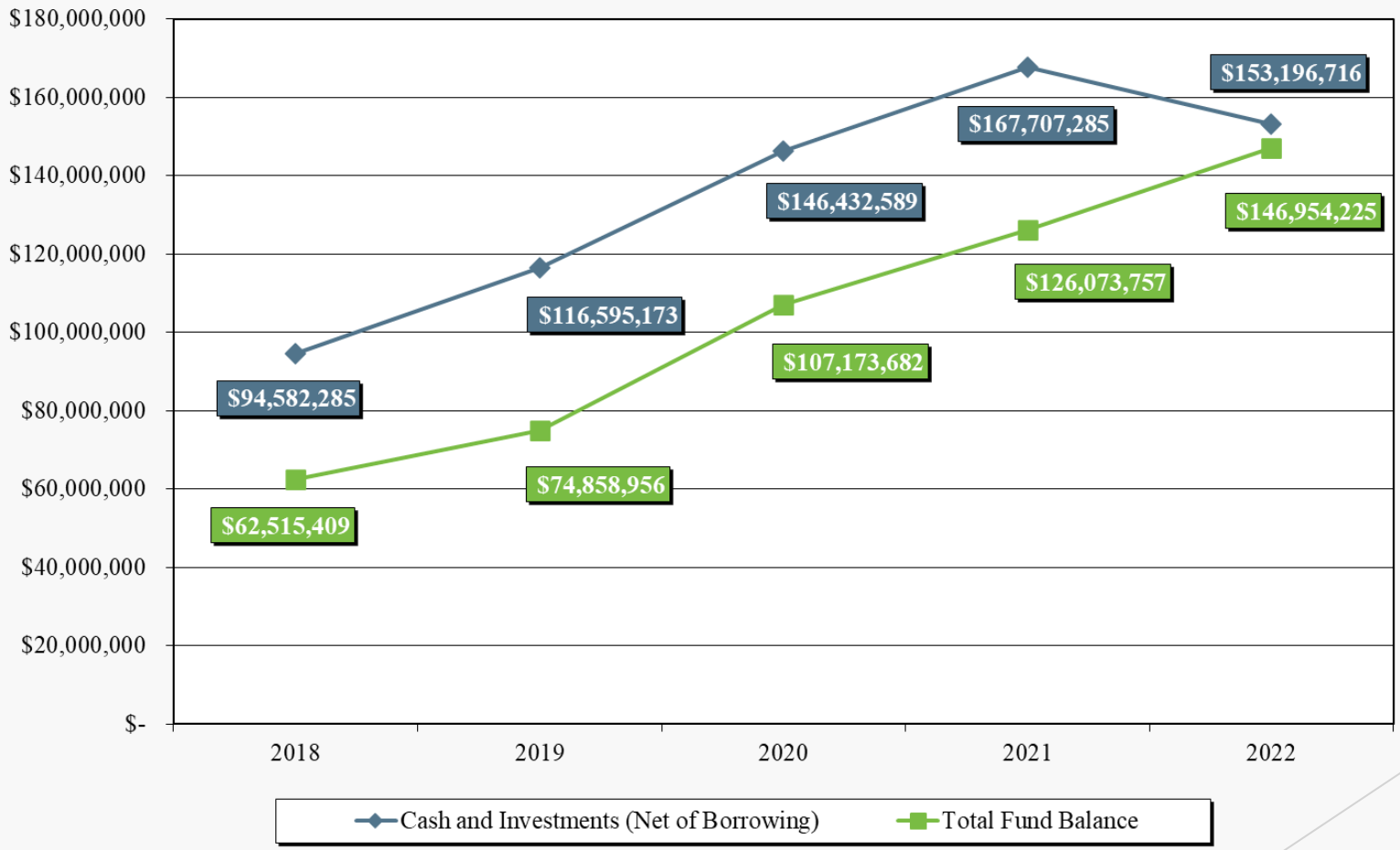
General Fund

Expenditures Per ADM Served



General Fund

Operations – Financial Position



General Fund
Operations

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	$ 589,836,148	$ 580,296,888	$ 607,844,278	$ 603,733,523	$ 643,209,266
Expenditures	(593,617,102)	(567,963,106)	(577,344,220)	(584,833,448)	(648,092,852)
Excess of revenues over (under) expenditures	(3,780,954)	12,333,782	30,500,058	18,900,075	(4,883,586)
Proceeds from sale of equipment	-	9,765	18,765	-	-
Bond proceeds	-	-	1,100,000	-	-
Lease proceeds	-	-	-		23,707,892
Insurance recovery	-	-	-	-	56,162
Fund balance, July 1	66,296,363	62,515,409	74,858,956	106,477,779	126,073,757
Change in accounting principle	-	-	-	695,903	-
Fund Balance, June 30	**$ 62,515,409**	**$ 74,858,956**	**$ 106,477,779**	**$ 126,073,757**	**$ 144,954,225**

Components of Fund Balance					
For the Year Ended June 30,	**2018**	**2019**	**2020**	**2021**	**2022**
Nonspendable	$ 90,987	$ 1,227,627	$ 1,269,376	$ 1,414,679	$ 5,294,596
Restricted for					
Area learning center	808,181	910,645	1,421,247	-	-
Student activities	-	-	725,174	572,832	570,515
Achievement and integration	-	-	2,927,601	-	-
Basic skills program	-	-	-	495,016	-
Community education programs	-	-	-	65,178	-
Operating capital	-	-	-	5,501,542	8,783,209
Contracted alternative programs	-	-	-	-	1,164,265
Gifted and talented	299,240	514,170	466,385	579,035	483,254
Health and safety	-	-	-	-	-
Basic skills extended time	-	1,235,892	2,792,710	4,610,186	6,306,894
Long-term facilities maintenance	-	(944)	160,765	156,383	156,383
Other	-	-	1,100,000	234,359	234,359
Capital projects	-	-	-	-	-
Assigned	29,671,886	32,138,104	43,737,399	57,295,506	68,347,003
Unassigned	31,645,115	38,833,462	52,573,025	55,149,041	53,613,747
Fund Balance, June 30	**$ 62,515,409**	**$ 74,858,956**	**$ 107,173,682**	**$ 126,073,757**	**$ 144,954,225**

Food Service Fund

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	$ 21,897,237	$ 22,062,833	$ 23,694,428	$ 21,349,575	$ 21,168,074
Expenditures	(21,646,325)	(22,624,251)	(22,955,476)	(19,211,722)	(25,223,498)
Excess of revenues over (under) expenditures	250,912	(561,418)	738,952	2,137,853	(4,055,424)
Proceeds from sale of equipment	1,566	-	-	-	-
Bond proceeds	-	-	-	-	-
Fund balance, July 1	2,872,815	3,125,293	2,563,875	3,302,827	5,440,680
Fund Balance, June 30	**$ 3,125,293**	**$ 2,563,875**	**$ 3,302,827**	**$ 5,440,680**	**$ 1,385,256**
Nonspendable	$ 835,232	$ 856,369	$ 1,615,465	$ 1,732,388	$ 1,505,951
Restricted for other purposes	2,290,061	1,707,506	1,687,362	3,708,292	(120,695)
Total Fund Balance, June 30	**$ 3,125,293**	**$ 2,563,875**	**$ 3,302,827**	**$ 5,440,680**	**$ 1,385,256**

Community Service Fund

For the Year Ended June 30,	2018	2019	2020	2021	2022
Revenues	$ 30,506,573	$ 31,853,780	$ 28,471,098	$ 27,022,352	$ 29,701,512
Expenditures	(30,234,975)	(32,875,347)	(31,232,002)	(27,155,640)	(29,589,555)
Excess of revenues over (under) expenditures	271,598	(1,021,567)	(2,760,904)	(133,288)	111,957
Fund balance, July 1	8,704,570	8,976,168	7,954,601	5,193,697	5,060,409
Fund Balance, June 30	**$ 8,976,168**	**$ 7,954,601**	**$ 5,193,697**	**$ 5,060,409**	**$ 5,172,366**
Restricted for					
School readiness	$ 1,311,264	$ 1,842,528	$ 1,793,073	$ 2,024,215	$ 961,509
Adult basic education	1,263,834	854,424	702,422	879,610	1,340,717
Community education programs	5,212,717	4,197,002	1,949,764	1,120,064	7,786
ECFE	879,186	702,918	353,624	119,623	159,453
Other programs	309,167	357,729	394,814	916,897	2,702,901
Total Fund Balance, June 30	**$ 8,976,168**	**$ 7,954,601**	**$ 5,193,697**	**$ 5,060,409**	**$ 5,172,366**

Questions?

Andrew Grice, CPA
952-563-6862
Andrew.Grice@berganKDV.com



BerganKDV is a leading professional services firm with a contagious culture; where growth is fostered and making a difference means something. Our values drive our decisions, and our passion is empowering people and creating a wow experience for our clients.

We are powered by people who do business the Midwest way delivering comprehensive business, financial and technology solutions including business planning and consulting, tax, assurance and accounting, technology, wealth management and turnaround management services. From tax reform to technology, we go beyond so you can…

DO MORE.



bergankdv

bergankdv.com | #starthere


LET’S DO MORE, TOGETHER.
THANK YOU

Annual Comprehensive Financial Report

PRELIMINARY

Minneapolis Public Schools

Independent School District No. 1

Minneapolis, Minnesota

For the Year Ended June 30, 2022

www.mpls.k12.mn.us

John B. Davis Education and Service Center | 1250 W. Broadway Ave. Minneapolis, MN 55411

MINNEAPOLIS PUBLIC SCHOOLS

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota

Basic Financial Statements

June 30, 2022

PRELIMINARY

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota
Table of Contents

I. Introductory Section

Board of Education and Administration 1
Letter of Transmittal 3
Organizational Chart 9

II. Financial Section

Independent Auditor's Report 11

Management's Discussion and Analysis 15

Basic Financial Statements
Government-Wide Financial Statements
Statement of Net Position 30
Statement of Activities 31
Fund Financial Statements
Balance Sheet – Governmental Funds 32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 36
Statement of Net Position – Proprietary Funds 37
Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds 38
Statement of Cash Flows – Proprietary Funds 39
Statement of Fiduciary Net Position 40
Statement of Changes in Fiduciary Net Position 40
Notes to Basic Financial Statements 41

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios 88
Schedule of Employer Contributions – OPEB 90
Schedule of Investment Returns OPEB Trust 92
Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability – General Employees Retirement Fund 93
Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability – TRA Retirement Fund 93
Schedule of District Contributions – General Employees Retirement Fund 94
Schedule of District Contributions – TRA Retirement Fund 94
Notes to the Required Supplementary Information 95

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota
Table of Contents

Supplementary Information
Combining Balance Sheet – Nonmajor Governmental Funds 104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 105
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Food Service Special Revenue Fund 106
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Service Special Revenue Fund 107
Uniform Financial Accounting and Reporting Standards Compliance Table 108

III. Statistical Section – Statistical Section (Unaudited)

Financial Trends
Net Position by Component 112
Changes in Net Position 114
Changes in Fund Balances of Governmental Funds 116
Fund Balances of Governmental Funds 118
General Fund Revenue by Source 121
General Fund Expenditures by Program 122
Summary of Revenues and Expenditures 124
Cash and Investments by Fund 126
Revenue Capacity
General Governmental Tax Revenues by Source and Levy Type 128
Tax Capacities and Market Values 129
School Tax Levies, and Tax Rates 130
Direct and Overlapping Property Tax Rates 131
Principal Property Tax payers 133
Property Tax Levies and Receivables 134
Debt Capacity
Ratio of Net Debt 136
Ratio of Annual Debt Expenditures 138
Direct and Overlapping Debt 139
Legal Debt Martin Information 140
Demographic and Economic Information
Demographic and Economic Statistics 143
Principal Employers 145
Operating Information
Employees by Classification 146
Student Enrollment 148
Operating Statistics 149
Building Information 150

PRELIMINARY

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Board of Education and Administration
June 30, 2022

Board of Education	Position	Term Expires
Kim Ellison	Chair	2025
Jenny Arneson	Vice Chair	2023
Cindy Booker	Clerk	2023
Kimberly Caprini	Treasurer	2023
Adriana Cerrillo	Director	2025
Siad Ali	Director	2023
Ira Jourdain	Director	2025
Nelson Inz	Director	2023
Sharon El-Amin	Director	2025
Jake Wesson	Student Representative	2022

Administration	
Ed Graff	Superintendent
Ibrahima Diop	Chief Financial Officer
District Offices	Special School District No. 1 Minneapolis Public Schools 1250 West Broadway Avenue Minneapolis, MN 55411 (612) 668-0000

PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

November 28, 2022

To: People of Minneapolis
Board of Education
Rochelle Cox, Interim Superintendent

INTRODUCTION

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 1, Minneapolis, Minnesota (the "District" or "MPS"), for the fiscal year ended June 30, 2022. Responsibility for the entire financial report rests with district management including the financial information and internal controls throughout the audited fiscal year. The report contains all funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

The Governmental Accounting Standards Board (GASB) Statement No. 34 requires that the district includes within its ACFR a management discussion and analysis (MD&A) report, which allows the district to explain its financial position and the results of its operations for the past fiscal year.

The ACFR includes three primary sections:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes a list of principal officials, an organizational chart, awards and acknowledgements (if applicable), and this transmittal letter. The financial section includes the basic financial statements, individual fund statements and related schedules, and required supplementary information. The independent auditor's report is also included in the financial section. The independent auditor's report includes the basis for opinion on the District's financials and internal controls for the fiscal year. Notes to the financial section are provided to enhance the reader's understanding of the District's accounting policies and procedures. The statistical section includes selected financial and general information presented on a multiyear comparative basis.

PRELIMINARY

ECONOMIC CONDITION AND OUTLOOK

MPS is a full service, comprehensive special school district created by the Minnesota Legislature in 1959, although the district had been operating under different organizational structures since 1860. MPS provides full day kindergarten through twelfth grade general education services as well as special education services, career and technical instruction, early childhood and voluntary pre-kindergarten programming, and adult basic educational programming taught by licensed Minnesota educators. The district also offers community education, school age care, and after school enrichment programming, as well as culinary and transportation services for students.

MPS, Minnesota's third largest school district by enrollment, is governed by the Minneapolis Board of Education (the "school board"), a publicly elected board with nine members, six of whom represent geographic sub-districts and three at-large members elected citywide. Board directors are elected to four-year terms which are staggered so that half of the seats stand for election every two years, with an additional seat elected in even non-Presidential years. From March 2022 through the end of the calendar year there was one unelected board member who was appointed following a resignation. The board's primary duties include monitoring the district's budget, setting district policies, and selecting a Superintendent to manage the day-to-day affairs of the district. The district's boundaries are coterminous with those of the City of Minneapolis. The estimated population for the City of Minneapolis is 435,105.

MPS exists independently from other local government entities such as the City of Minneapolis, Hennepin County, or the Metropolitan council, with its own governing body, budgetary authority, and taxing power. The budgetary authority of the District is annually appropriated with approval by The District's Board of Education. MPS is overseen by the Minnesota Department of Education.

For 2021–2022, district facilities included forty-three elementary schools, eight middle schools, two K-8 schools, ten high schools, a transition school, and four district administration buildings. District facilities were constructed between 1898 and 2018, with the largest concentration being constructed in the 1920s. The district finances major upkeep, as well as major updates such as remodeling or additions, with capital project funding. The full list of District building information is listed in the Statistics Section of the ACFR.

Adjusted membership for the 2021-22 school year was 29,076, a decrease of 2,297 from the previous year. Demographic forecasts anticipate that the total number of children living in the district will decline over the next five years and district enrollment is also expected to decline. Projected membership for the next three years is 27,517 in fiscal year 2023, 27,004 in fiscal year 2024, and 27,904 in fiscal year 2025.

PRELIMINARY

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)
The tax base of the district increased 2.1 percent during the past year. The market value of all taxable property in the district in fiscal year 2022 was $60,047,658,199 compared to $58,812,067,511 in fiscal year 2021. The net tax capacity of the district for fiscal year 2022 was $704,727,774 an increase of 1.1 percent over the prior year value of $697,098,964.

The state fiscal disparities law provides for the pooling of 40.0 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed $23,533,523 in fiscal year 2022 and $24,248,918 in fiscal year 2021.

FINANCIAL INFORMATION
The District's accounting system has been designed to reasonably assure the safety of district assets and the reliability of financial records with adequate internal controls and segregation of duties across finance department staff. Financial statements are prepared in conformity with generally accepted accounting principles as specified by the Governmental Accounting Standards Board. ("GASB"). The accounting principle of reasonable assurance recognizes that the costs of internal controls should not exceed the benefits derived, and that management must use judgement and estimation in determining the value of costs and benefits.

The District main sources of revenue are revenue from the State of Minnesota, property taxes, federal sources, and other revenues. State aid is primarily tied to the District's enrollment. Changes to the District enrollment will lead to changes to state aid received. Property tax support remains stable for the District for the future fiscal years of the District. The District's use of one-time COVID relief funds provided the District support for fiscal year 2022 and will continue to provide support for The District through September 2024.

The District has an internal policy to maintain an unassigned General Fund balance of 8% of current fiscal year budgeted expenditures. The District ending the fiscal year with an unassigned balance of $53,613,747 which amounts to 8.3% of current fiscal year budgeted expenditures. The District maintains a total General Fund balance of $144,954,225 and a total Governmental Fund balance of $441,420,874.

Below are some facts about the 2021–2022 fiscal year financial and nonfinancial information:

Revenues:

- General Fund revenue increased approx. $39.5 million compared to the previous fiscal year. The increase is primarily related to one-time COVID relief funding as the District had an increase of approx. $61.9 million in federal aid compared to the previous fiscal year.

PRELIMINARY

FINANCIAL INFORMATION (CONTINUED)

Revenues: (Continued)

- The basic per pupil General Education formula amount from the state is $6,728 for fiscal year 2022 (a 2.45% increase from fiscal year 2022). The rate per pupil is a driving factor in the amount of General Education the District will receive.
- The District recorded revenue of approx. $227.0 million in fiscal year 2022 for property taxes related to The District's levy. This is the District's second largest source of revenue after revenue received from state sources.

Expenditures:

- General Fund expenditures increased approx. $63.3 million compared to previous fiscal year. The increase in spending of one-time COVID relief was the main reason General Fund expenditures increased compared to last fiscal year.
- Most of the District's expenditures are related to employee salaries and benefits. The largest share of the cost of salaries and benefits are related to expenditures for instruction of students.
- The District continues to use its general resources to finance a great portion of special education services, as the state and federal government reimbursement rates are insufficient to fully fund these costs.

MPS One-Time COVID Funds Overview

To support school districts with unexpected costs from the COVID-19 pandemic, federal and state governments began offering one-time funding to school districts. This money is being provided to address academic achievement, supplement technology expenses, ensure clean and healthy learning environments, invest in comprehensive support for students and school communities, and to stabilize and diversify the educator workforce. The District has been awarded the following:

- Governor's Emergency Education Relief Fund (GEER): $1,464,204 awarded
- Coronavirus Relief Funds (CRF): $10,929,242 awarded
- Elementary and Secondary School Emergency Relief Fund (ESSER I): $18,705,817 awarded
- ESSER II: $71,005,780 awarded
- American Rescue Plan (ARP/ESSER III): $159,468,895 awarded

The MPS ESSER III plan was shaped by feedback from the MPS American Rescue Plan Stakeholder Committee (including staff members, union representatives, students and families, and community partners), American Indian tribal consultation, an online submission form, and direct input from individuals and organizations.

PRELIMINARY

FINANCIAL INFORMATION (CONTINUED)

MPS One-Time COVID Funds Overview (Continued)
Because the grant funds are only available over a three-year period, The District is looking to prioritize investments that will not incur ongoing costs once the grant has ended. The District is committed to ensuring that any ESSER-funded programs or services ESSER funds can be sustained once the grant ends. While some temporary staff may be hired to help implement programs that are identified as priorities, hiring additional permanent staff or expanding programs with significant ongoing costs are less likely options for funding.

The District will also consider using some of the federal dollars to ensure sufficient staffing levels and ensure continuity of existing programs and services. In recent years, declining student enrollment, insufficient state funding and increased costs have made it difficult for The District to maintain the high-quality programs and opportunities families expect. Using a portion of the federal ESSER III Funds to stabilize the District's budget is allowable under the American Rescue Plan and likely will be part of helping us realize the district's short- and longer-term goals.

OTHER INFORMATION
State law requires an annual audit by independent certified public accountants. The accounting firm of BerganKDV, LTD. was selected by the School Board to conduct the annual audit for the fiscal year ended June 30, 2022. In addition to meeting the requirements set forth by state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the single audit are issued as a separate report, which is available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International for its Certificate of Excellence in Financial Reporting program and Government Finance Officers Association (GFOA) for its Certificate of Achievement for Excellence in Financial Reporting. Achieving recognition from these two programs is a primary financial goal for the District as this would indicate high standards in financial reporting and accountability for the District. June 30th, 2022, fiscal year end audited financial reports will be a transition as the District was not pursuing these awards of financial reporting in the past. The District believes that we have met the requirements for the ASBO International Certificate of Excellence in Financial Reporting and the GFOA Certificate of Achievement for Excellence for the fiscal year end 2022 ACFR.

PRELIMINARY

OTHER INFORMATION (CONTINUED)

The District's continued commitment to excellent financial stewardship and robust local tax base has resulted in Moody's Investor Services reaffirming the District's Aa2 credit rating, which signifies high quality and are subject to very low credit risk. We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for the fiscal year 2022 ACFR. Credit is also due to the School Board for its governance and unfailing support of maintaining the highest standards of stewardship of the District's finances.

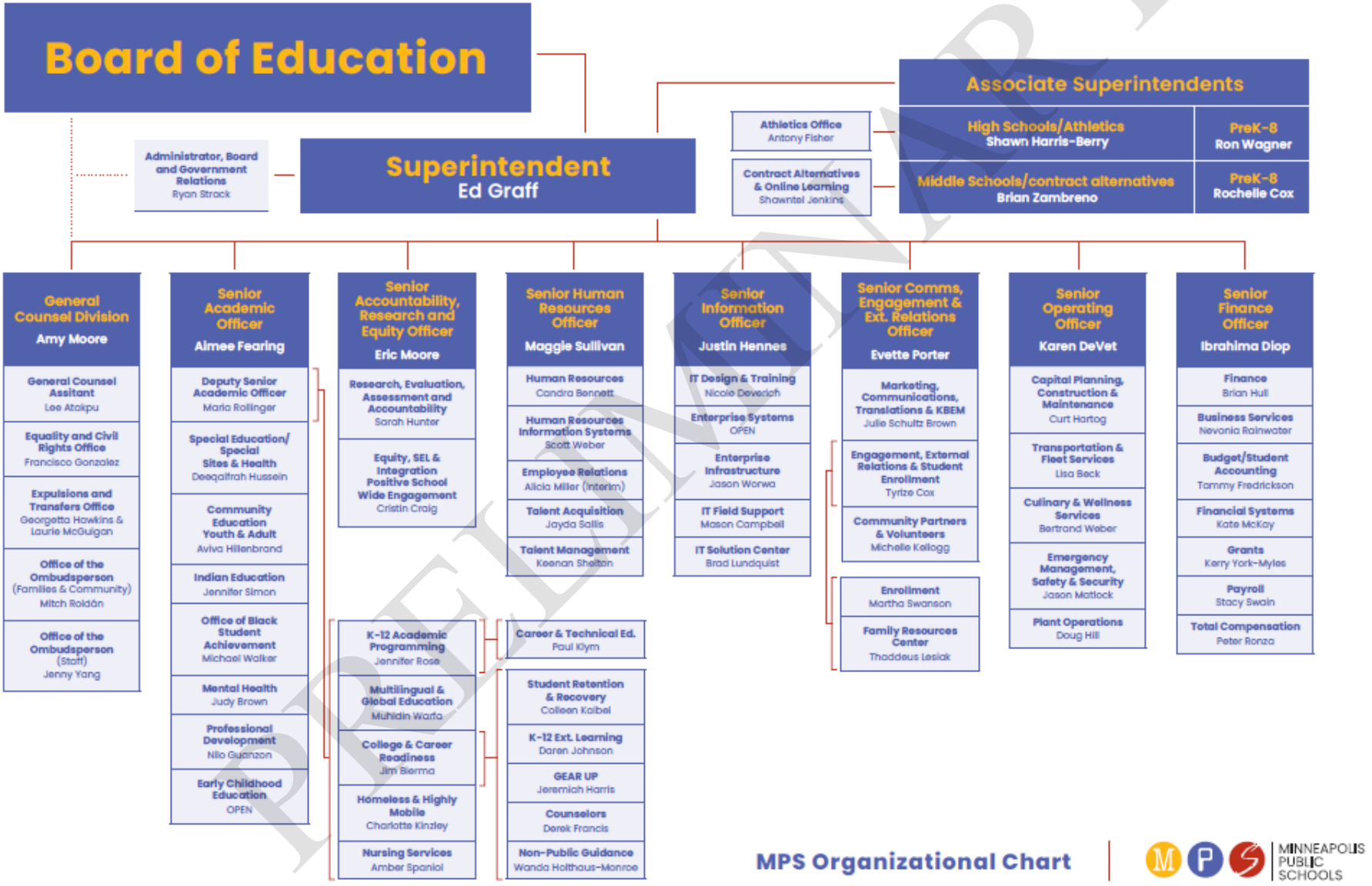
Respectfully submitted,

Ibrahima Diop

Senior Officer of Finance & Operations

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Organizational Chart



PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special School District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special School District No. 1, as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minneapolis Public Schools, Special School District No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Implementation of GASB 87

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The management of Minneapolis Public Schools, Special School District No. 1 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

PRELIMINARY

Responsibilities of Management for the Financial Statements (Continued)
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor′s Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

PRELIMINARY

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management′s Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management′s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PRELIMINARY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota
November 28, 2022

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis

This section of the District's annual financial report presents a discussion and analysis of the District's financial performance during fiscal year ended June 30, 2022. Please read it in conjunction with the financial statements that immediately follow this section.

The MD&A is an element of required supplementary information specified in the GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. Certain comparative information between the current year (2021-2022) and the prior year (2021-2022) is required to be presented in the MD&A.

Financial Highlights

- Total combined fund balance of all the District's governmental funds increased approximately $22 million from the prior year. This net increase was primarily due to the District's use of one-time COVID relief funds that were awarded to the District. Total governmental fund revenues were approximately $786 million, an increase of about $38 million over the prior year total of $748 million. Revenue from property taxes and revenue from state sources decreased from prior year. Property taxes decreased by $6.7 million or 2.9% primarily due to a decrease in General Fund Referendum levy. State revenues decreased by $17 million in the general fund primarily due to decreases in enrollment.

- Total governmental fund expenditures were $872 million, an increase of approximately $76 million, or an increase of 9.6% from the prior year. This increase is primarily related to a the District using one-time COVID relief funds during fiscal year 2022.

Overview of the Financial Section

The financial section of the annual audited report consists of four parts: Independent Auditor's Report, required supplementary information, including the MD&A, the basic financial statements, and supplementary information. The financial statements include two kinds of statements that present different views of the District:

- The first two statements are **government-wide financial statements** that provide both *short-term* and *long-term* information about the District's *overall* financial status.

- The remaining statements are **fund financial statements** that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements.

- **Governmental funds statements** tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

PRELIMINARY

Overview of the Financial Section (Continued)

- **Proprietary funds statements** *offer short-term and long-term financial information about the District's self-insured risk management activities.*

- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Government-Wide Statements
The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

Governmental Activities – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

PRELIMINARY

Overview of the Financial Section (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three categories of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliation schedules) immediately following the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.
- **Proprietary Fund - Internal Service Fund** – Used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund for self-insurance of worker's compensation, property and liability, as well as accumulating and recording the liability for accrued compensated absences (severance and vacation) and health insurance benefits for eligible employees upon retirement.

PRELIMINARY

Overview of the Financial Section (Continued)

Fund Financial Statements (Continued)

- **Fiduciary Fund** – The District is the trustee, or *fiduciary*, for assets that belong to others, such as assets held in trust for post-employment benefits. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes, and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

PRELIMINARY

Financial Analysis of the District - Government-wide

Net Position

The District's *combined* net position was negative $631 million on June 30, 2022. This was an increase of 12.6% from the prior year (see Table A-1).

Table A-1

The District's Net Position

	Primary Government		
	Governmental Activities		Percentage
	2022	2021	Change
Current and other assets	$ 814,209,905	$ 777,016,320	4.8%
Capital assets	819,453,194	786,359,670	4.2%
Total assets	1,633,663,099	1,563,375,990	4.5%
Deferred outflows of resources	238,210,830	326,971,331	-27.1%
Total assets and deferred outflows of resources	1,871,873,929	1,890,347,321	-1.0%
Current liabilities	90,454,050	79,071,030	14.4%
Long-term liabilities	1,371,154,147	1,627,995,140	-15.8%
Total liabilities	1,461,608,197	1,707,066,170	-14.4%
Deferred inflows of resources	1,042,204,859	906,487,574	15.0%
Net position			
Net investment in capital assets	180,023,633	167,231,208	7.6%
Restricted	50,733,450	54,965,174	-7.7%
Unrestricted	(862,696,210)	(945,402,805)	8.7%
Total net position	$ (631,939,127)	$ (723,206,423)	12.6%

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts.

The District's increase in assets is due to the change in accounting principle of GASB 87 (lease accounting) which increased the amount of capital assets booked by The District that are not reflected in 2021 information above. The District's decrease in total liabilities is due to decreases in long-term liabilities due in more than one year related to the District's share of the State's net pension liability for PERA and TRA.

PRELIMINARY

Financial Analysis of the District - Government-wide (Continued)

Changes in Net Position

The District's *government-wide* total revenues were approximately $785 million for the year ended June 30, 2022. Property taxes and unrestricted state aid accounted for 64% of total revenue for the year. The remaining 36% came from program revenues, including 33% from operating grants and contributions (Table A-2).

Table A-2
Change in Net Position

	Primary Government Governmental Activities for the Fiscal Year Ended June 30,		Percentage
Revenues	2022	2021	Change
Program revenues			
Charges for services	$ 11,516,972	$ 8,602,530	33.88%
Operating grants and contributions	256,492,930	202,953,369	26.38%
Capital grants and contributions	11,000,000	11,000,000	0.00%
General revenues			
Property taxes	226,100,574	233,860,338	-3.32%
State formula aid	279,405,692	292,899,839	-4.61%
Other	176,386	754	23293.37%
Total revenues	784,692,554	749,316,830	4.72%
Expenses			
District and school administration	14,936,110	17,003,242	-12.16%
District support services	48,857,105	24,318,391	100.91%
Regular instruction	251,618,186	279,788,567	-10.07%
Vocational instruction	5,013,209	5,089,516	-1.50%
Special education instruction	103,577,983	122,202,296	-15.24%
Instructional support services	40,278,990	41,490,014	-2.92%
Pupil support services	78,666,331	63,131,018	24.61%
Sites, buildings, and equipment	69,871,966	90,914,224	-23.15%
Fiscal and other fixed cost programs	1,221,175	6,275,779	-80.54%
Food service	24,410,001	18,174,647	34.31%
Community education and services	27,517,183	26,261,083	4.78%
Interest and fiscal charges on long-term debt	27,457,019	25,999,423	5.61%
Total expenses	693,425,258	720,648,200	-3.78%
Change in net position	91,267,296	28,668,630	218.35%
Change in accounting principle (GASB 84)	-	-	N/A
Prior period adjustment (see note 12)	-	13,979,031	NA
Net position - beginning	(723,206,423)	(765,854,084)	N/A
Net position - ending	$ (631,939,127)	$ (723,206,423)	-12.62%

PRELIMINARY

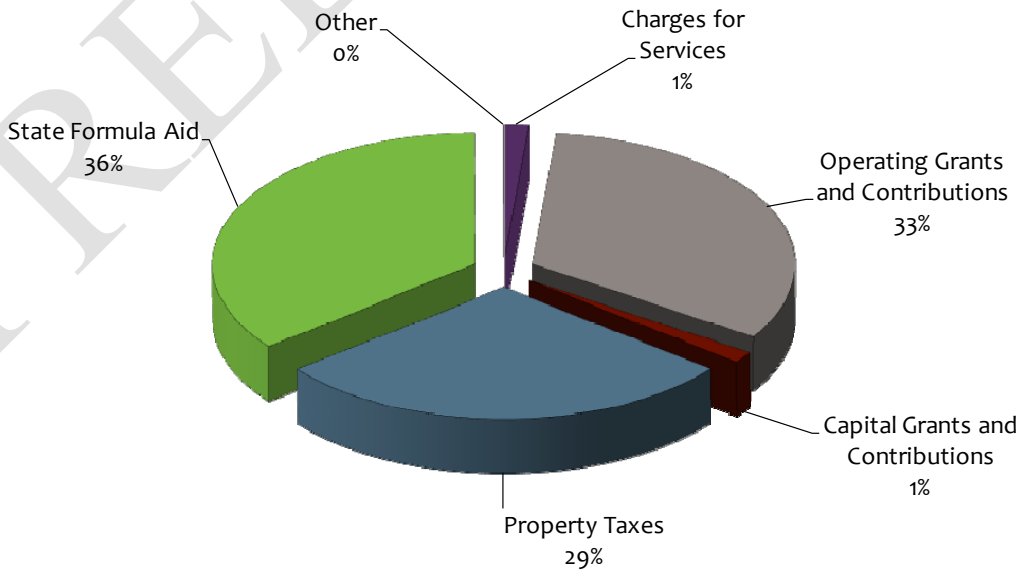
Financial Analysis of the District Government-wide (Continued)

Total cost of all programs and services was $693 million in fiscal 2022. District expenses were primarily related to educating and caring for students (69%). The District's Community and Nutritional Service programs accounted for 4% of expenses while facility maintenance totaled 10% and fiscal/other fixed cost expenses totaled 4%. Community Education and Services accounted for 4% of expenses. District and School Administration and District Support Services accounted for 9% of total expenses during fiscal 2022 (see Figure A-2 on next page).

The cost of all *governmental* activities this year was $693 million.

- Some of the costs were paid by the users of the District's programs (Table A-2 previous page, Charges for Services, $11.5 million).
- The federal and state governments subsidized certain programs with grants and contributions including significant support to respond to the COVID-19 pandemic (Table A-2, Operating and Capital Grants and Contributions, $256 million).
- Most of the District's costs were paid for with local property taxes of $226 million and unrestricted state aid of $279 million.

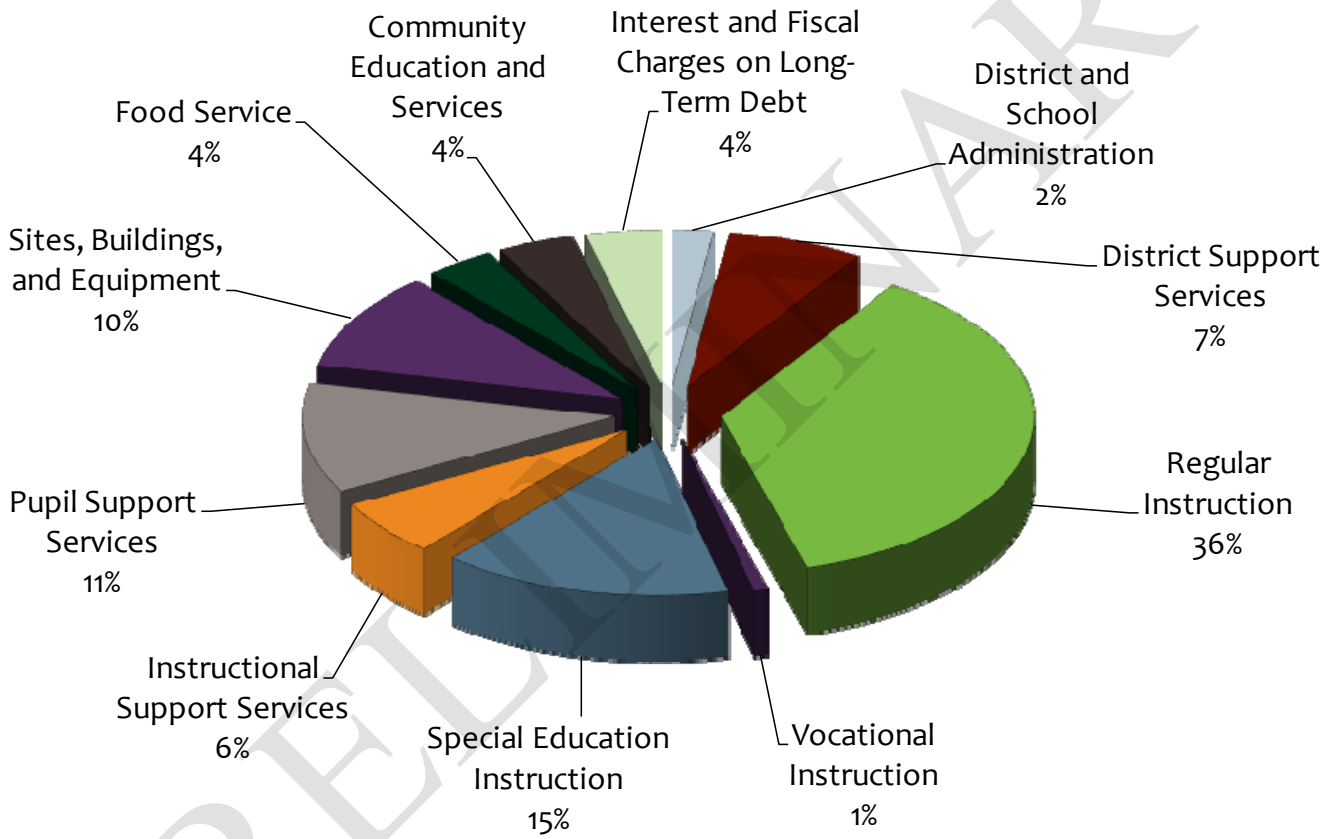
Figure A-1
Sources of Revenue
Fiscal Year 2022



PRELIMINARY

Financial Analysis of the District Government-wide (Continued)

Figure A-2
Expenses
Fiscal Year 2022



Governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources, (Figure A-2) shown on the previous page, therefore, the District does not include Special Revenue Funds (Food & Community Services) as a component of the general operation of the District, since the District cannot take funds from these restricted areas and use the funds to enhance instruction-related programs.

PRELIMINARY

Financial Analysis of the District Government-wide (Continued)

Table A-3

Primary Government Cost and Net Cost of Services

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2022	2021	Change	2022	2021	Change
Administration	$ 14,936,110	$ 17,003,242	-12.2%	$ (5,571,763)	$ (5,529,642)	0.8%
District Support Services	48,857,105	24,318,391	100.9%	45,076,342	24,318,391	85.4%
Elementary and Secondary Regular Instruction	251,618,186	279,788,567	-10.1%	215,062,878	246,322,611	-12.7%
Vocational Education Instruction	5,013,209	5,089,516	-1.5%	4,312,837	4,577,710	-5.8%
Special Education Instruction	103,577,983	122,202,296	-15.2%	23,142,491	35,571,454	-34.9%
Instructional Support Services	40,278,990	41,490,014	-2.9%	37,812,606	39,261,907	-3.7%
Pupil Support Services	78,666,331	63,131,018	24.6%	1,946,406	41,859,475	-95.4%
Sites and Buildings	69,871,966	90,914,224	-23.1%	57,461,687	77,487,572	-25.8%
Fiscal and Other Fixed Cost Programs	1,221,175	6,275,779	-80.5%	1,221,175	6,275,779	-80.5%
Food Service	24,410,001	18,174,647	34.3%	3,244,003	(3,174,444)	-202.2%
Community Education and Services	27,517,183	26,261,083	4.8%	3,249,675	5,122,065	-36.6%
Interest and Fiscal Charges On long-term debt/depreciation	27,457,019	25,999,423	5.6%	27,457,019	25,999,423	5.6%
Total	$ 693,425,258	$ 720,648,200	-3.8%	$ 414,415,356	$ 498,092,301	-16.8%

Financial Analysis of the District's Funds

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of $441 million, or a $22 million increases over last year. The increase is primarily attributable to The District's use of one-time COVID relief funds that were awarded to the District.

The District's governmental funds reported total expenditures of $873 million and total revenues of $786 million. Based on these results, fund balance would have decreased by $86 million. The District issued bonds that along with their associated premium and the implementation of GASB 87 (lease accounting standards) provided $108 million in other available resources. These other sources of financing along with revenue exceeded expenditures in the general fund resulted in an overall increase to the *combined* fund balance of $21 million from the prior year.

PRELIMINARY

Enrollment

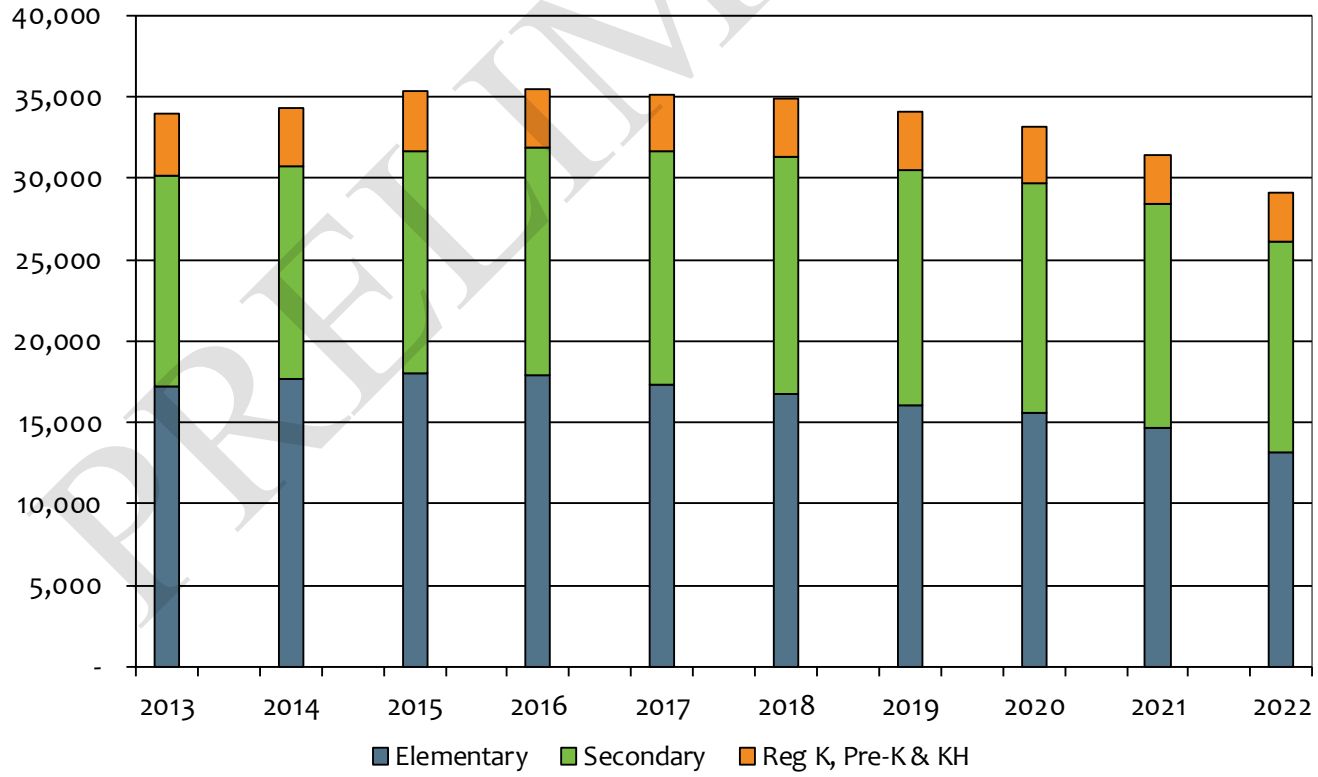
Enrollment is a critical factor in determining revenue. The following chart shows that the number of students has decreased over each of the past ten years. There was a decrease in enrollment over the last year of -7.38%.

Table A-4

Student Enrollment (Average Daily Membership)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Reg K, Pre-K & KH	3,789	3,582	3,682	3,587	3,516	3,556	3,508	3,540	3,010	2,980
Elementary	17,218	17,643	17,964	17,866	17,319	16,768	16,098	15,598	14,658	13,174
Secondary	12,985	13,086	13,740	14,019	14,311	14,517	14,444	14,064	13,726	12,923
Total students for aid	33,992	34,311	35,386	35,472	35,146	34,841	34,050	33,202	31,394	29,077
Percentage change		0.94%	3.13%	0.24%	-0.92%	-0.87%	-2.27%	-2.49%	-5.45%	-7.38%

Figure A-3
Student Enrollment
(Average Daily Membership)



PRELIMINARY

General Fund

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12. Special Education serves students from birth to 21. The General Fund also includes pupil transportation activities and capital outlay projects.
The following schedule presents a summary of General Fund Revenue.

Table A-5

General Fund Revenues

	Year Ended June 30, 2022	Year Ended June 30, 2021	Increase (Decrease	Percentage Change
Local sources				
Property taxes	$ 140,964,153	$ 144,092,501	$ (3,128,348)	-2.17%
Earnings on investments	(691,454)	121,670	(813,124)	-668.30%
Other	10,560,122	13,174,349	(2,614,227)	-19.84%
State sources	371,678,222	387,675,107	(15,996,885)	-4.13%
Federal sources	120,482,318	58,628,646	61,853,672	105.50%
Sales and other conversion of assets	215,905	41,250	174,655	423.41%
Total	$ 643,209,266	$ 603,733,523	$ 39,475,743	6.54%

General Fund revenue increased by $39.4 million or 6.54% from the previous year.

Revenue increased in fiscal year 2022 primarily due to the District's use of Federal COVID relief funding that was awarded to the District. Funding for both state aid and property taxes declined compared to last fiscal year which are the District's two largest sources of revenue.

General Fund Revenue is received in three major categories. In summary, the three categories are:

1. State Education Finance Appropriations
   A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.

   B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid).

PRELIMINARY

General Fund (Continued)

2. State Paid Property Tax Levies Credits
   The largest share of the levy is from voter-approved levies: the excess operating referendum, which is also enrollment driven. Property tax credits reduce the amount of property taxes paid. To make up for this reduction, the state pays the difference between what was levied in property taxes and what is received in property taxes to school districts and other taxing districts.

3. Federal Sources
   The largest source of federal funding normally are those received under the 1965 Elementary and Secondary Education Act as reauthorized as the Every Student Succeeds Act (ESSA) in December of 2015, replacing the No Child Left Behind Act (NCLB). It is one of the United States Federal Government's largest assistance programs for schools. However, the District received significant funding to support changes in operations due to the COVID-19 pandemic.

The following schedule presents a summary of General Fund Expenditures.

Table A-6

General Fund Expenditures

	Year Ended June 30,		Increase	Percentage
	2022	2021	(Decrease)	Change
Salaries	$ 376,117,637	$ 351,972,595	$ 24,145,042	6.86%
Employee benefits	126,626,065	134,502,222	(7,876,157)	-5.86%
Purchased services	77,562,365	64,632,554	12,929,811	20.01%
Supplies and materials	29,637,623	27,849,590	1,788,033	6.42%
Capital expenditures	26,481,313	2,568,271	23,913,042	931.09%
Other expenditures	11,667,849	3,308,216	8,359,633	252.69%
Total	$ 648,092,852	$ 584,833,448	$ 63,259,404	10.82%

Total General Fund expenditures increased by $63.2 million or 10.8% from the previous year.

General Fund salaries and benefits increased $16.2 million combined for the year primarily due to The District's spending of one-time COVID relief funds. The District's implementation of GASB 87 (lease accounting) caused an increase of 23.9 million related to capital expenditures. The expenditures related to lease accounting are not implemented in the fiscal year 2021 column stated above.

PRELIMINARY

Debt Service Fund
The Debt Service Fund had expenditures exceeding revenue of approximately $4.3 million The Debt Service Fund had a prior period adjustment to increase fund balance by $2.2 million. The Debt Service Fund balance ended with a fund balance of $40.1 million.

Other Non-Major Funds
Expenditures exceeded revenue by about $4.0 million in the Food Service Fund and resulted in a decrease to fund balance bringing the total fund balance to $1.3 million. In the Community Service Fund, revenue exceeded expenditures by about $111,000, resulting in an ending fund balance of about $5.1 million. The Post-Employment Benefits Debt Services funds saw expenditures exceeding revenue by about $400,000. The OPEB Debt Service Fund had a prior period adjustment to decrease fund balance by $2.2 million. The OPEB Debt Service Fund ended the fiscal year with a fund balance $0.

Capital Asset and Debt Administration

Capital Assets
By the end of 2022, the District had invested approximately $819 million (net of accumulated depreciation and amortization) in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year totaled approximately $42 million.

Table A-7

Capital Assets (Net of Depreciation/Ammortization)

	2022	2021	Percentage Change
Land and construction in progress	$ 88,348,190	$ 121,964,788	-27.56%
Other capital assets	729,380,318	664,394,882	9.78%
Lease assets	1,724,686	-	-
Total	$ 819,453,194	$ 786,359,670	4.21%

General Fund Budgetary Highlights
Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General, Food Service, Community Service, Debt Service, and Capital Projects funds. All annual unencumbered appropriations lapse at fiscal year-end.

PRELIMINARY

General Fund Budgetary Highlights (Continued)
In accordance with state statute, the Board of Education adopts the various fund budgets by June 30 of the preceding fiscal year. Over the course of the fiscal year, the Board adopts amendments to the budgets for reinstating prior-year unspent school and department budgets and increases in appropriations for significant unbudgeted costs.

Factors Bearing on the District's Future
The general education program is the method by which school districts receive most of their financial support. The basic general education formula allowance for Minnesota school districts increased slightly in fiscal year 2022 to $ 6,728 per pupil unit or 2.45% from the prior year. With significant union contracts, mandatory compliance cost, uncertain political environment and growing demand on limited resources continue to present challenges in funding education for Minnesota schools.

Request For Information
This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. Additional details can be requested by mail at the following address:

Minneapolis Public Schools
Finance Department
1250 West Broadway Avenue
Minneapolis, Minnesota 55411
Or visit our website at http://www.mpls.k12.mn.us

PRELIMINARY

BASIC FINANCIAL STATEMENTS

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash and investments	$ 552,361,407
Cash and investments held by trustee	32,138,776
Receivables	
Property taxes	118,915,400
Other governments	99,958,190
Accounts receivable	2,477,078
Lease receivable	203,276
Prepaid items	6,524,907
Inventory	1,630,871
Capital assets	
Land and construction in progress	88,348,190
Other capital asset, net of depreciation	729,380,318
Lease assets, net of amortization	1,724,686
Total assets	1,633,663,099
Deferred Outflows of Resources	
Deferred outflows related to OPEB	3,735,051
Deferred outflows related to pensions	234,475,779
Total deferred outflows of resources	238,210,830
Total assets and deferred outflows of resources	$ 1,871,873,929
Liabilities	
Salaries and compensated absences payable	$ 50,621,807
Accounts and contracts payable	23,090,913
Accrued interest	14,296,328
Due to other governmental units	1,573
Unearned revenue	2,443,429
Long-term liabilities	
Portion due within one year	81,711,224
Portion due in more than one year	1,289,442,923
Total liabilities	1,461,608,197
Deferred Inflows of Resources	
Property taxes levied for subsequent year's expenditures	210,282,495
Deferred charge on refunding	3,262,327
Deferred inflows related to leases	203,276
Deferred inflows related to OPEB	36,685,983
Deferred inflows related to pensions	791,770,778
Total deferred inflows of resources	1,042,204,859
Net Position	
Net investment in capital assets	180,023,633
Restricted for	
General Fund state-mandated reserves	17,698,879
Food service	1,385,256
Community service	5,207,752
Debt service	26,441,563
Unrestricted	(862,696,210)
Total net position	(631,939,127)
Total liabilities, deferred inflows of resources, and net position	$ 1,871,873,929

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Governmental activities					
Administration	$ 14,936,110	$ 1,184,329	$ 19,323,544	$ -	$ 5,571,763
District support services	48,857,105	-	3,780,763	-	(45,076,342)
Elementary and secondary regular instruction	251,618,186	876,636	35,678,672	-	(215,062,878)
Vocational education instruction	5,013,209	-	700,372	-	(4,312,837)
Special education instruction	103,577,983	2,844,067	77,591,425	-	(23,142,491)
Instructional support services	40,278,990	6,477	2,459,907	-	(37,812,606)
Pupil support services	78,666,331	129,550	76,590,375	-	(1,946,406)
Sites and buildings	69,871,966	4,257	1,406,022	11,000,000	(57,461,687)
Fiscal and other fixed cost programs	1,221,175	-	-	-	(1,221,175)
Food service	24,410,001	588,874	20,577,124	-	(3,244,003)
Community education and services	27,517,183	5,882,782	18,384,726	-	(3,249,675)
Interest and fiscal charges on long-term debt	27,457,019	-	-	-	(27,457,019)
Total governmental activities	$ 693,425,258	$ 11,516,972	$ 256,492,930	$ 11,000,000	(414,415,356)
General revenues					
Taxes					
Property taxes, levied for general purposes					140,428,013
Property taxes, levied for community service					5,409,069
Property taxes, levied for debt service					80,263,492
State aid not restricted to specific purposes					279,405,692
Earnings on investments					176,386
Total general revenues					505,682,652
Change in net position					91,267,296
Net position - beginning					(723,206,423)
Net position - ending					$ (631,939,127)

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Balance Sheet - Governmental Funds
June 30, 2022

	Major Funds				
	General	Capital Project-Building Construction	Debt Service	Other Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	$ 153,196,716	$ 255,932,860	$ 52,852,567	$ 7,234,505	$ 469,216,648
Cash and investments held by trustee	-	-	31,482,150	-	31,482,150
Receivables					
Current property taxes receivable	68,822,853	-	45,858,076	2,790,502	117,471,431
Delinquent property taxes receivable	867,727	-	540,856	35,386	1,443,969
Due from other Minnesota school districts	-	-	-	510	510
Due from Minnesota Department of Education	37,531,565	-	1,138,952	1,806,514	40,477,031
Due from Federal Government through Minnesota Department of Education	50,533,855	-	-	4,073,235	54,607,090
Due from Federal Government received directly	2,498,993	-	-	303,608	2,802,601
Due from other governmental units	1,963,947	-	-	107,011	2,070,958
Accounts receivable	1,714,064	-	-	113,524	1,827,588
Lease receivable	203,276	-	-	-	203,276
Due from other funds	2,456,396	-	-	-	2,456,396
Prepaid items	5,169,676	681,551	-	-	5,851,227
Inventory	124,920	-	-	1,505,951	1,630,871
Total assets	$ 325,083,988	$ 256,614,411	$ 131,872,601	$ 17,970,746	$ 731,541,746
Liabilities					
Salaries and compensated absences payable	$ 45,617,108	$ 33,456	$ -	$ 475,991	$ 46,126,555
Payroll deductions and employer contributions payable	4,495,252	-	-	-	4,495,252
Accounts and contracts payable	13,988,537	6,868,963	-	1,810,427	22,667,927
Due to other governmental units	1,573	-	-	-	1,573
Due to other funds	-	-	-	2,456,396	2,456,396
Unearned revenue	1,349,727	-	-	1,093,702	2,443,429
Total liabilities	65,452,197	6,902,419	-	5,836,516	78,191,132
Deferred Inflows of Resources					
Property taxes levied for subsequent year's expenditures	113,606,563	-	91,134,710	5,541,222	210,282,495
Deferred inflows of resources related to leases	203,276	-	-	-	203,276
Unavailable revenue - delinquent property taxes	867,727	-	540,856	35,386	1,443,969
Total deferred inflows of resources	114,677,566	-	91,675,566	5,576,608	211,929,740
Fund Balances					
Nonspendable					
Prepaid items	5,169,676	681,551	-	-	5,851,227
Inventory	124,920	-	-	1,505,951	1,630,871
Restricted for					
Student activities	570,515	-	-		570,515
Graduation standards - gifted and talented	483,254	-	-	-	483,254
Operating capital	8,783,209	-	-	-	8,783,209
Long-term facilities maintenance	156,383	111,202,616	-	-	111,358,999
Contract alternative schools	1,164,265	-	-	-	1,164,265
Basic skills extended time	6,306,894	-	-	-	6,306,894
Community education programs	-	-	-	7,786	7,786
Early childhood and family educations programs	-	-	-	159,453	159,453
School readiness	-	-	-	961,509	961,509
Adult basic education	-	-	-	1,340,717	1,340,717
QSCB/QZAB	-	-	30,442,527	-	30,442,527
Building construction	-	137,827,825	-	-	137,827,825
Other purposes	234,359	-	9,754,508	2,702,901	12,691,768
Assigned	68,347,003	-	-	-	68,347,003
Unassigned	53,613,747	-	-	(120,695)	53,493,052
Total fund balances	144,954,225	249,711,992	40,197,035	6,557,622	441,420,874
Total liabilities, deferred inflows of resources, and fund balances	$ 325,083,988	$ 256,614,411	$ 131,872,601	$ 17,970,746	$ 731,541,746

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances - governmental funds	$	441,420,874
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
Land		35,446,301
Construction in progress		52,901,889
Buildings and improvements, net of accumulated depreciation		704,920,326
Equipment, net of accumulated depreciation		24,459,992
Lease building, net of accumulated amortization		1,696,964
Lease equipment, net of accumulated amortization		27,722
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bond principal payable		(573,655,000)
Unamortized bond premiums and discounts		(106,861,987)
Notes from direct borrowing - finance purchase agreement		(15,129,168)
Lease liability		(1,778,071)
Certificate of participation payable		(188,455,000)
Net other post employment benefit liability		(36,179,541)
Net pension liability		(401,024,785)
Deferred charge on refunding		(3,262,327)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.		
Deferred outflows related to pensions		234,475,779
Deferred inflows related to pensions		(791,770,778)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to OPEB that are not recognized in the governmental funds.		
Deferred outflows related to OPEB		3,735,051
Deferred inflows related to OPEB		(36,685,983)
Governmental funds do not report a liability for accrued interest on bonds and certificates of participation until due and payable.		(14,296,328)
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		1,443,969
Internal service funds are used by management to charge the cost of workers compensation and general liability insurance to individual funds, as well as severance benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		
Internal service fund net position		36,630,974
Total net position - governmental activities	$	(631,939,127)

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	Major Funds				
	General	Capital Project-Building Construction	Debt Service	Other Nonmajor Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	$ 140,964,153	$ -	$ 78,199,539	$ 7,784,581	$ 226,948,273
Earnings on investments	(691,454)	596,398	(1,928,591)	(66,354)	(2,090,001)
Other	10,560,122	700	-	6,414,976	16,975,798
Revenue from state sources	371,678,222	-	11,368,083	13,653,626	396,699,931
Revenue from federal sources	120,482,318	-	1,593,958	24,823,054	146,899,330
Sales and other conversion of assets	215,905	-	-	588,875	804,780
Total revenues	643,209,266	597,098	89,232,989	53,198,758	786,238,111
Expenditures					
Current					
Administration	16,954,667	-	-	-	16,954,667
District support services	30,826,898	-	-	-	30,826,898
Elementary and secondary regular instruction	274,310,418	-	-	-	274,310,418
Vocational education instruction	5,476,323	-	-	-	5,476,323
Special education instruction	117,840,105	-	-	-	117,840,105
Instructional support services	44,617,199	-	-	-	44,617,199
Pupil support services	83,826,106	-	-	-	83,826,106
Sites and buildings	38,970,766	34,867,414	-	-	73,838,180
Fiscal and other fixed cost programs	1,221,175	-	-	-	1,221,175
Food service	-	-	-	25,151,830	25,151,830
Community education and services	71,406	-	-	29,585,682	29,657,088
Capital outlay					
District support services	20,907,764	-	-	-	20,907,764
Elementary and secondary regular instruction	451,231	-	-	-	451,231
Vocational education instruction	118,151	-	-	-	118,151
Special education instruction	83,032	-	-	-	83,032
Instructional support services	313,778	-	-	-	313,778
Pupil support services	1,251	-	-	-	1,251
Sites and buildings	4,533,632	37,238,028	-	-	41,771,660
Food service	-	-	-	71,668	71,668
Community education and services	-	-	-	3,873	3,873
Debt service					
Principal	6,510,337	784,430	60,350,000	2,220,000	69,864,767
Interest and fiscal charges	1,058,613	483,727	33,837,130	44,400	35,423,870
Total expenditures	648,092,852	73,373,599	94,187,130	57,077,453	872,731,034
Excess of revenues over (under) expenditures	(4,883,586)	(72,776,501)	(4,954,141)	(3,878,695)	(86,492,923)
Other Financing Sources (Uses)					
Insurance recovery	56,162	-	-	-	56,162
Bond issuance	-	55,874,618	59,405,382	-	115,280,000
Bond premium	-	27,638,692	-	-	27,638,692
Lease issuance	23,707,892	494,114	-	-	24,202,006
Payment to refunded bond escrow agent	-	-	(59,085,000)	-	(59,085,000)
Transfers in	-	-	470,867	-	470,867
Transfers out	-	-	-	(470,867)	(470,867)
Total other financing sources (uses)	23,764,054	84,007,424	791,249	(470,867)	108,091,860
Net change in fund balances	18,880,468	11,230,923	(4,162,892)	(4,349,562)	21,598,937
Fund Balances					
Beginning of year, as previously stated	126,073,757	238,481,069	42,097,027	13,170,084	419,821,937
Prior period adjustment (Note 12)	-	-	2,262,900	(2,262,900)	-
Beginning of year, restated	126,073,757	238,481,069	44,359,927	10,907,184	419,821,937
End of year	$ 144,954,225	$ 249,711,992	$ 40,197,035	$ 6,557,622	$ 441,420,874

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds	$ 21,598,937
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital asset additions	50,894,051
Lease/finace purchase agreement issuance	24,202,006
Depreciation expense	(41,563,556)
Amortization expense	(438,977)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of discounts and premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:	
General obligation bond proceeds	(83,680,000)
Long-term facility maintenance proceeds	(31,600,000)
Notes from direct borrowing proceeds	(24,202,006)
Bond premium	(27,638,692)
Repayment of certificates of participation payable	17,635,000
Finance purchase agreements principal payments	6,909,175
Lease principal payments	385,592
Repayment of bond principal	44,935,000
Refunding payment to bond escrow agent	59,085,000
Change in accrued interest expense	(892,058)
Amortization of bond premiums and discounts	11,647,272
Amortization of deferred charge on refunding	(2,788,363)
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.	(2,673,479)
Net other post employement benefit liabilities are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	382,914
Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.	
Pension expense	69,917,179
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	(847,699)
Change in net position - governmental activities	$ 91,267,296

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Over (Under)
Revenues				
Local sources				
Local property taxes	$ 138,919,646	$ 138,919,646	$ 140,964,153	$ 2,044,507
Earnings on investments	3,000,000	3,000,000	(691,454)	(3,691,454)
Other local and county revenues	11,816,192	11,816,192	10,560,122	(1,256,070)
Revenue from state sources	378,508,841	378,508,841	371,678,222	(6,830,619)
Revenue from federal sources	121,677,520	121,677,520	120,482,318	(1,195,202)
Sales and other conversion of assets	-	-	215,905	215,905
Total revenues	653,922,199	653,922,199	643,209,266	(10,712,933)
Expenditures				
Current				
Administration	33,629,575	33,629,575	16,954,667	(16,674,908)
District support services	50,467,628	50,467,628	30,826,898	(19,640,730)
Elementary and secondary regular instruction	275,114,280	275,114,280	274,310,418	(803,862)
Vocational education instruction	5,604,319	5,604,319	5,476,323	(127,996)
Special education instruction	123,625,323	123,625,323	117,840,105	(5,785,218)
Instructional support services	41,702,241	41,702,241	44,617,199	2,914,958
Pupil support services	83,837,006	83,837,006	83,826,106	(10,900)
Sites and buildings	40,090,792	40,090,792	38,970,766	(1,120,026)
Fiscal and other fixed cost programs	1,270,000	1,270,000	1,221,175	(48,825)
Community education and services	92,522	92,522	71,406	(21,116)
Capital outlay				
District support services	-	-	20,907,764	20,907,764
Elementary and secondary regular instruction	14,000	14,000	451,231	437,231
Vocational education instruction	-	-	118,151	118,151
Special education instruction	-	-	83,032	83,032
Instructional support services	19,600	19,600	313,778	294,178
Pupil support services	-	-	1,251	1,251
Sites and buildings	41,382	41,382	4,533,632	4,492,250
Debt service				
Principal	-	-	6,510,337	6,510,337
Interest and fiscal charges	-	-	1,058,613	1,058,613
Total expenditures	655,508,668	655,508,668	648,092,852	(7,415,816)
Excess of revenues over (under) expenditures	$ (1,586,469)	$ (1,586,469)	(4,883,586)	$ (3,297,117)
Other Financing Sources				
Lease issuance	-	-	23,707,892	23,707,892
Net change in fund balance	$ (1,586,469)	$ (1,586,469)	18,880,468	$ 20,466,937
Fund Balance				
Beginning of year			126,073,757	
End of year			$ 144,954,225	

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special District No. 1
Statement of Net Position - Proprietary Fund
Internal Service Fund
June 30, 2022

Assets	
Current assets	
Cash and cash equivalents	$ 83,144,759
Cash with fiscal agent	656,626
Accounts receivable	614,854
Interest receivable	34,636
Prepaid items	673,680
Total assets	$ 85,124,555
Liabilities	
Current liabilities	
Accounts payable	$ 422,986
Accrued severance	3,338,971
Loss and loss adjustment reserves	
Workers' compensation	2,230,167
Incurred but not reported reserves	
Accrued health insurance benefits	5,183,219
Total current liabilities	11,175,343
Noncurrent liabilities	
Loss and loss adjustment reserves	
Workers' compensation	3,345,251
Incurred but not reported reserves	
Workers' compensation	3,345,251
Property/casualty	577,000
Accrued severance	30,050,736
Total noncurrent liabilities	37,318,238
Total liabilities	$ 48,493,581
Net Position	
Unrestricted	$ 36,630,974

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special District No. 1
Statement of Revenues, Expenses, and Change in Fund Net Position - Proprietary Fund
Internal Service Fund
Year Ended June 30, 2022

Operating Revenue	
Local sources - charges for services	$ 62,171,443
Operating Expenses	
Claims administration	3,549,496
Workers compensation and other benefits	4,970,034
Self-insured medical benefits	58,044,284
Severance	547,495
Total operating expenses	67,111,309
Operating income	(4,939,866)
Nonoperating Revenue	
Earnings on investments	2,266,387
Change in net position	(2,673,479)
Net Position	
Beginning of year	39,304,453
End of year	$ 36,630,974

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special District No. 1
Statement of Cash Flows - Proprietary Fund
Internal Service Fund
June 30, 2022

Cash Flows - Operating Activities	
Receipts from premiums	$ 61,965,153
Claims administration	(3,101,741)
Claims and severence benefits paid	(65,437,662)
Net cash flows - operating activities	(6,574,250)
Cash Flows - Investing Activities	
Investment earnings	2,231,751
Net change in cash and cash equivalents	(4,342,499)
Cash and Cash Equivalents (Including Cash with Fiscal Agent)	
Beginning of year	88,143,884
End of year	$ 83,801,385
Reconciliation of Operating Loss to Net Cash Flows - Operating Activities	
Operating loss	$ (4,939,866)
Adjustments to reconcile operating loss to net cash flows - operating activities	
Accounts payable	447,755
Prepaid insurance	(243,960)
Accounts receivable	(206,290)
Loss and loss adjustment reserves	(1,535,857)
Accrued health insurance benefits	1,733,617
Accrued compensated absences	(1,829,649)
Net adjustments	(1,634,384)
Net cash flows - operating activities	$ (6,574,250)

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Statement of Fiduciary Net Position
June 30, 2022

	Other Post Employment Benefits Irrevocable Trust Fund
Assets	
Current	
Cash and investments	$ 22,957,606
Net Position Restricted for Postemployment Benefits Other than Pensions	$ 22,957,606

,

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Other Post Employment Benefits Irrevocable Trust Fund
Additions	
Investment income	$ (3,546,416)
Change in net position	(3,546,416)
Net Position Restricted for Postemployment Benefits Other than Pensions	
Beginning of year	26,504,022
End of year	$ 22,957,606

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The basic financial statements of Minneapolis Public Schools Special School District No. 1 have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Minneapolis Public Schools Special School District No. 1 (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP require that the District's basic financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate from the District. In addition, the District's basic financial statements are to include all component units – entities for which the District is financially accountable. The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District. The District has no component units.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota State Statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these basic financial statements. As of July 1, 2019, these accounts have been taken under board control and will not be reported separately.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary fund. The fiduciary fund is only reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

As of July 1, 2019, the student activity accounts of the District are under board control and are reported in the General Fund.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

Separate fund financial statements are provided for the governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: Other Post Employment Benefits (OPEB) Irrevocable Trust Fund. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the basic financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges for service in the form of insurance premiums and early retirement incentive costs. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

1. **Revenue Recognition**
   Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and GAAP. *Minnesota Statutes* include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. **Recording of Expenditures**
   Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates. Compensated absences and claims and judgments are recognized when payment is due.

The District reports unearned revenue on its balance sheet and government-wide Statement of Net Position. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when the District has a legal claim to the resources, the unearned revenue is removed and revenue is recognized.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds:
The existence of the various District funds has been established by the Minnesota Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report are as follows:

Major Governmental Funds:

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Capital Projects Fund – This fund is used to account for financial resources used for the acquisition or construction of major capital facilities. The fund was established for building construction activity authorized by specific voter-approved bond issues and for large-scale construction activity authorized by the Board under provisions of state law. Revenues are from property taxes restricted for property maintenance and bond proceeds.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond debt service except for refunding bond issues, for which a separate refunding bond trust account has been established. Revenues included in this fund are state and federal aid and property taxes.

Nonmajor Funds:

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures. Revenues recorded in this fund include charges for meals along with state and federal reimbursement for meals.

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs, or other similar services. Revenues included in this fund include property taxes restricted for Community Service purposes and tuition and fees charged for Community Education along with state and federal aid.

Post Employment Benefits Debt Service – This fund is used to account for the accumulation of resources for and payment of MERF bonds used to finance the District's obligation related to this now defunct pension plan.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Proprietary Fund:

Internal Service Fund – This fund accounts for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The District's Internal Service Fund has two main purposes:

1. Self-insurance activities for property, liability, health, and workers' compensation risks.

2. Accumulate and record the liability for accrued compensated absences (severance and vacation).

Fiduciary Fund:

The District has established an OPEB Irrevocable Trust Fund for other post employment benefit payments.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Debt Service, and Capital Projects Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

The District employs the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of applicable appropriation. All unencumbered appropriations lapse at fiscal year-end. Encumbrances are generally re-appropriated in the ensuing year's budget.

Procedurally, in establishing the budgetary data reflected in these basic financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain reserves specified in *Minnesota Statutes*, exceeding a negative 2.5% of operating expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described on the following pages.

District Governmental Funds

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and investment balances from all funds, with the exception of the investments related to the OPEB Irrevocable Trust Fund, are combined, and invested to the extent available in various securities as authorized by *Minnesota Statutes*. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the refunding bond escrow account held by trustee can be used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow account.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2022, were comprised of deposits, negotiable certificates of deposit, shares in the Minnesota School District Liquid Asset Fund (MSDLAF), government securities, FHLB, FHLMC, FNMA, and money market funds.

Minnesota Statutes require all deposits be protected by federal deposit insurance corporate surety bond or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

District Governmental Funds (Continued)
Minnesota Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14 day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions. MSDLAF+ Term investments have a maturity of 60 days to one year and early withdrawal may result in substantial early redemption penalties.

OPEB Irrevocable Trust Fund
These funds represent investments administered by the District's OPEB Irrevocable Trust Fund investment managers. As of June 30, 2022, they were comprised of mutual funds. The District's investment policy extends to the OPEB Irrevocable Trust Fund investments.

Minnesota Statutes authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days, and in the State Board of Investments. Investments are stated at fair value.

G. Accounts Receivable
Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. Inventory
Inventory is recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on weighted average cost method, along with processing costs, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

J. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Hennepin County is the collecting agency for the levy and remits the collections to the District three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes for the past six years, and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2021, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in the fiscal year 2022. The remaining portion of the levy will be recognized when measurable and available.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. A deferred outflows of resources related to pensions is recorded in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has five types of items which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is a deferred charge on refunding and is reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The fourth items is a deferred inflows of resources related to pensions and is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. The fifth item is deferred inflows of resources related to OPEB for various estimate differences related to this liability that will be amortized and recognized in future years.

L. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District records all asset purchases in a capital asset group if the purchase is equal or greater than approximately $5,000 for all equipment. All vehicles and land are capitalized if greater than $5,000 and all building and site improvements are capitalized if greater than $25,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statement, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. The District's capital assets have estimated useful lives as listed on the following page.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

Asset	Useful Life
Buildings	50 years
Building improvements	20 years
Equipment	10 years
Vehicles	8 years
Computers	5 years

Capital assets not being depreciated include land and construction in process.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

The District's employee vacation and sick leave policies grant to certain groups of employees, if certain conditions are met (see Note 10), a specific number of days of vacation with pay and payment for unused sick leave upon retirement. On June 30, 1998, the District established an internal service fund to accrue for and fund the liability for vacation earned and not yet taken, vested sick pay, salary-related payments, and retiree health insurance benefits due to certain active and retired employees.

Significant assumptions made in estimating the District's severance liability are as follows: (1) annual salary increases of 3.5% annually, and (2) discount rate of 3.25%.

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. For this purpose, plan contributions are recognized as of employer paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

P. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance and is self-insured for some risks as indicated in Note 9. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2022.

Q. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets in these basic financial statements are labeled "Cash and Investments Held by Trustee".

R. Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

S. Fund Balance

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable Fund Balances – Portions of fund balance related to prepaids, inventory, long-term receivables, and corpus on any permanent fund.

Restricted Fund Balances – These funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

PRELIMINARY

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balance (Continued)

Committed Fund Balances – These funds are established and modified by a resolution approved by the Board of Education.

Assigned Fund Balances – These consist of internally imposed constraints. The Board of Education policy authorized the Superintendent and Superintendent's administration to assign fund balances and their intended uses.

Unassigned Fund Balances – These funds are the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end minimum unassigned fund balance of no less than 8% of the estimated General Fund expenditures for the following year.

T. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

U. Postemployment Benefits Other than Pensions (OPEB) – Trust Fund

Information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position and the Balance Sheet as "Cash and Investments." In accordance with *Minnesota Statutes*, the District maintains deposits at financial institutions which are authorized by the District's Board.

PRELIMINARY

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows *Minnesota Statutes* for deposits. *Minnesota Statutes* require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. *Minnesota Statutes* require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. As of June 30, 2022, the District's deposits with a bank balance of $1,102,804 were not exposed to custodial credit risk because the balances were fully insured by FDIC or secured by pledged collateral or letters of credit.

As of June 30, 2022, the book value of the District's deposits is $896,367.

B. Investments

Investment Policy

In accordance with the *Minnesota Statutes* Chapter 118A and other applicable law, including regulations, the District's investment policy permits making deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in the State of Minnesota. The District is allowed to invest in U.S. Treasury or Federal Agency obligations, commercial paper rated "A-1" or higher and that matures in 270 days or less at the time of purchase, collateralized certificates of deposit, repurchase agreements backed by government collateral, and bankers' acceptances of the top 40 U.S. banks.

The District's investment policy establishes limitations on the holdings on non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

U.S. Treasury/U.S. Government Agencies	100% Maximum
Domestic Commercial Paper ("A-1"/"P-1")	100% Maximum
Collateralized Investment Agreements	100% Maximum
Eligible Bankers' Acceptances	30% Maximum
Repurchase Agreements	25% Maximum
Collateralized Certificates of Deposit	30% Maximum

The District's investment policy with regards to its deposits and investments are in accordance with statutory authority.

PRELIMINARY

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Concentration of Credit Risk
This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than $5,000,000 of the District's portfolio will be invested in the securities of any single commercial paper issuer.

Custodial Credit Risk
This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. GASB 40 requires disclosure of all uninsured investment securities purchased by the District or held as collateral on deposits or investments that are not registered in the name of the Minneapolis Public Schools, and held by the counterparty to the investment transactions. The District's investments held by one broker-dealer were insured by SIPC or other supplemental insurance as of June 30, 2022. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the District's portfolio in relation to the brokerage firm's excess SIPC coverage limits, the portion of the supplemental policy applicable to the District's portfolio is unknown.

PRELIMINARY

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Interest Rate Risk

This is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The District's investment policy states that investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, taking into account constraints on risk and other criteria requirements. As of June 30, 2022, the market values, duration, and percent allocation of the District's investments were as listed below.

Investment Type	Fair Value	Weighted Average Maturities (in Years)	Percent Allocation	Credit Rating
Pooled				
MSDLAF+ Liquid Class	$ 38,551,067	N/A	7.44%	AAAm
MSDLAF+ Max Class	343,499,985	N/A	66.28%	AAAm
Federal Home Loan Bank (FHLB)	979,255	0.31	0.19%	AA+
Federal Farm Credit Bank (FFCB)	2,354,740	0.49	0.45%	AA+
U.S. Treasury Securities	43,446,406	1.10	8.38%	N/A
Fannie Mae	2,561,841	0.64	0.49%	AA+
Freddie Mac		0.00	0.00%	AA+
Mortgage Backed Securities	2,923,559	1.56	0.56%	AA+
Commercial Paper Pool	72,399,224	N/A	13.97%	N/A
Commercial Paper	11,622,380	0.26	2.24%	A-1
Total pooled investments	518,338,457		100.00%	
Non-pooled				
Cash with fiscal agent				
Cash held by trustee	1,696,249	N/A	5.28%	N/A
U.S. Treasury Securities	30,442,527	3.38	94.72%	N/A
Total cash with fiscal agent	32,138,776		100.00%	
Health insurance				
Cash/money market	33,126,585	NA	100.00%	N/A
Total Health Insurance Trust	33,126,585		100.00%	
OPEB Trust Fund				
Mutual Funds	22,900,426	N/A	99.77%	N/A
Cash/Money Market Funds	57,180	N/A	23.00%	N/A
Total OPEB Trust Fund	22,957,606		100.00%	
Total non-pooled investments	88,222,967			
Total investments	$ 606,561,424			

PRELIMINARY

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Interest Rate Risk (Continued)
The District has the following recurring fair value measurements as of June 30, 2022:

- Pooled investments of $43,446,406 are valued using Level 1 inputs
- Pooled investments of $92,840,999 are valued using Level 2 inputs
- Nonpooled OPEB investments of $22,900,426 are valued using a matrix pricing model (Level 2 inputs)

C. Deposits and Investments
The following is a summary of total deposits and investments:

Deposits (Note 2.A.)	$ 896,367
Investments - pooled (Note 2.B.)	518,338,457
Investments - non-pooled (Note 2.B.)	88,222,967
Total deposits and investments	$ 607,457,791

Deposits and investments are presented in the June 30, 2022, basic financial statements as follows:

Statement of Net Position	
Cash and investments	$ 552,361,409
Cash with fiscal agent	32,138,776
Health Trust	
Statement of Fiduciary Net Position	
Cash and investments	22,957,606
Total deposits and investments	$ 607,457,791

PRELIMINARY

NOTE 3 – INTERFUND ACTIVITY

A. Due To/Due From Other Funds

As of June 30, 2022, the following amounts were due to/due from other funds:

	Due from Other Fund	Due to Other Fund
General Fund	$ 2,456,396	$ -
Food Service Fund	-	2,456,396
Total	$ 2,456,396	$ 2,456,396

The amount due to/from of 2,456,396 is to cover a deficit cash balance in the Food Service Fund, this was covered using the General Fund.

B. Interfund Transfers

The Post-Employment Benefits Debt Service Fund transferred $470,867 to the Debt Service Fund to close out the Post-Employment Benefits Debt Service Fund after debt had been fully paid off.

PRELIMINARY

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Change in Accounting Principle	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	$ 35,446,301	$ -	$ -	$ -	$ 35,446,301
Construction in progress	86,518,487	-	51,471,004	85,087,602	52,901,889
Total capital assets not being depreciated	121,964,788	-	51,471,004	85,087,602	88,348,190
Capital assets being depreciated					
Buildings	1,350,704,505	-	84,209,528	-	1,434,914,033
Machinery and equipment	51,801,224	15,965,094	6,374,369	-	74,140,687
Total capital assets being depreciated	1,402,505,729	15,965,094	90,583,897	-	1,509,054,720
Less accumulated depreciation for					
Buildings	696,159,795	-	33,833,912	-	729,993,707
Machinery and equipment	41,951,052	-	7,729,644	-	49,680,696
Total accumulated depreciation	738,110,847	-	41,563,556	-	779,674,403
Total capital assets being depreciated, net	664,394,882	15,965,094	49,020,341	-	729,380,317
Governmental activities, capital assets net	$ 786,359,670	$ 15,965,094	$ 100,491,345	$ 85,087,602	$ 817,728,507

PRELIMINARY

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Change in Accounting Principle	Increases	Decreases	Ending Balance
Governmental Activities					
GASB 87, Being Ammortized:					
GASB 87 Intangible Assets	$ -	$ 2,163,663	$ -	$ -	$ 2,163,663
Accumulated Amortization:					
GASB 87 Intangible Assets	-	-	438,977	-	438,977
Total Capital Assets, Being Amortized, Net	-	2,163,663	(438,977)	-	1,724,686
Governmental Activities Capital Assets, Net	$ -	$ 2,163,663	$ (438,977)	$ -	$ 1,724,686

Depreciation and amortization expense of $42,002,533 for the year ended June 30, 2022, was charged to the following governmental functions:

Administration	$ 77,660
District support services	5,946,653
Regular instruction	8,823,729
Vocational education instruction	45,746
Special education instruction	226,017
Community education	30,376
Instructional support services	26,066
Pupil support services	939,746
Food service	195,006
Sites and buildings	25,691,534
Total depreciation and amortization expense, governmental activities	$ 42,002,533

NOTE 5 – LONG-TERM LIABILITIES

The District has issued general obligation school building bonds, alternative facilities bonds, and long-term facilities maintenance bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

PRELIMINARY

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Liabilities

	Issue Date	Interest Rates	Original Issue	Maturity Date	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. bonds, including refunding bonds						
	12/15/09	1.15%	$ 17,200,000	12/15/2025	$ 17,200,000	$ -
	12/28/10	5.13%	19,785,000	12/15/2025	19,785,000	-
	12/01/11	3.80%	4,260,000	12/15/2025	4,260,000	-
	12/23/14	2.00%-3.00%	21,840,000	2/1/2030	9,295,000	1,595,000
	12/23/14	3.00%-4.00%	45,270,000	2/1/2030	27,220,000	3,035,000
	12/23/14	2.00%-5.00%	11,300,000	2/1/2023	1,660,000	1,660,000
	12/29/15	2.34%	21,275,000	2/1/2031	10,440,000	1,385,000
	12/29/15	2.51%	34,755,000	2/1/2031	23,180,000	2,230,000
	12/29/15	1.69%	10,830,000	2/1/2024	3,150,000	1,535,000
	12/22/16	5.00%	41,905,000	2/1/2037	30,090,000	2,220,000
	12/22/16	4.00%-5.00%	51,910,000	2/1/2035	42,175,000	2,380,000
	12/06/17	4.00%-5.00%	28,895,000	2/1/2033	17,990,000	3,130,000
	12/06/17	4.00%-5.00%	51,565,000	2/1/2038	41,475,000	2,590,000
	12/01/18	4.00%-5.00%	40,395,000	2/1/2039	30,660,000	3,685,000
	12/01/18	4.00%-5.00%	51,275,000	2/1/2038	46,325,000	1,960,000
	12/01/19	5.00%	42,735,000	2/1/2040	35,490,000	4,020,000
	12/01/19	5.00%	29,385,000	2/1/2038	27,360,000	1,170,000
	12/01/19	5.00%	5,385,000	2/1/2027	3,385,000	615,000
	12/29/20	4.00%-5.00%	46,785,000	2/1/2041	43,390,000	3,775,000
	12/29/20	1.00%-5.00%	26,140,000	2/1/2041	25,395,000	880,000
	07/14/21	5.00%	18,725,000	2/1/2033	17,175,000	1,210,000
	12/30/21	5.00%	35,895,000	2/1/2042	35,895,000	3,750,000
	12/30/21	5.00%	31,600,000	2/1/2042	31,600,000	1,270,000
	12/30/21	5.00%	29,060,000	2/1/2034	29,060,000	2,315,000
Total			718,170,000		573,655,000	46,410,000
Certificates of participation						
	12/01/11	6.50%	19,705,000	2/1/2023	2,060,000	2,060,000
	12/23/14	1.40-6.5%	125,570,000	2/1/2030	79,130,000	8,300,000
	12/29/15	2.00-3.20%	44,475,000	2/1/2031	29,080,000	2,860,000
	12/22/16	5.00%	22,025,000	2/1/2032	16,935,000	1,345,000
	12/06/17	4.00-5.00%	38,565,000	2/1/2033	30,895,000	2,235,000
	12/01/19	2.67%	6,715,000	2/1/2035	6,100,000	350,000
	09/29/20	5.00%	26,055,000	4/1/2036	24,255,000	1,265,000
Total			283,110,000		188,455,000	18,415,000
Bond premium					106,861,987	-
Notes from direct borrowing					15,129,168	5,731,007
Lease liability					1,778,071	402,860
Self insurance liability and compensated absences					48,070,595	10,752,357
Total long-term liabilities					$ 933,949,821	$ 81,711,224

PRELIMINARY

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

C. Description of Long-Term Liabilities

General Obligation Bonds and Certifications of Participation

Year Ending June 30,	Notes from Direct Borrowing		G.O. Bonds	
	Principal	Interest	Principal	Interest
2023	$ 18,415,000	$ 8,050,220	$ 46,410,000	$ 26,282,584
2024	17,120,000	7,223,750	45,550,000	23,661,361
2025	17,865,000	6,473,650	44,375,000	21,515,061
2026	18,700,000	5,641,100	84,715,000	18,744,931
2027	19,570,000	4,768,700	41,060,000	16,059,900
2028-2032	83,280,000	10,633,500	161,765,000	55,506,800
2033-2037	13,505,000	698,800	107,270,000	22,926,150
2038-2042	-	-	42,510,000	4,425,050
Total	$ 188,455,000	$ 43,489,720	$ 573,655,000	$ 189,121,837

On July 14, 2021, the District issued $18,725,000 of General Obligation Refunding Bonds, Series 2021A. The proceeds of this issue were deposited into the Debt Service Fund and to refund, in advance of their stated maturities, the remaining fiscal 2022 through 2033 maturities of the District's General Obligation Bonds series 2012A, totaling $11,810,000 and Alt Facilities Bond 2012B totaling $11,615,000. After the current refunding, the district assumes full debt service of the principal and interest payments on the 2021A issue. The refunding reduced the district's total future debt service payments for the series of bonds by $1,273,430 and resulted in a present value savings of approximately $1,222,925.

On December 30, 2021, the District issued $35,895,000 of General Obligation School Building Bonds, Series 2021B. The proceeds of this bond will be used for the funding of various capital improvements and equipment, and to pay the costs associated with the issuance of the series 2021B Bond

On December 30, 2021, the District issued $31,600,000 of General Obligation Long-Term Facilities Maintenance Bonds, Series 2021C. The proceeds of this bond will be used to provide funds for repair and facility projects at selected school sites throughout the district, and to pay the costs associated with the issuance of the series 2021C Bonds.

PRELIMINARY

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Liabilities (Continued)

On December 30, 2021, the District issued $29,060,000 of General Obligation Refunding Bonds, Series 2021D. The proceeds of this issue were deposited into the Debt Service Fund and to refund, in advance of their stated maturities, the remaining fiscal 2022 through 2029 and 2022 through 2034 maturities of the District's General Obligation Bonds series 2013A, totaling $7,600,000 and Alt Facilities Bond 2013B totaling $21,460,000. After the current refunding, the district assumes full debt service of the principal and interest payments on the 2021D issue. The refunding reduced the district's total future debt service payments for the series of bonds by $6,243,631 and resulted in a present value savings of approximately $5,901,904.

Leases and Notes from Direct Borrowing

Year Ending June 30,	Notes from direct borrowing		Lease Liability	
	Principal	Interest	Principal	Interest
2023	$ 5,731,007	$ 734,873	$ 402,860	$ 79,620
2024	5,446,319	455,402	388,042	59,979
2025	3,215,961	189,176	409,852	40,019
2026	735,881	33,919	428,877	19,158
2027	-	-	148,440	1,549
Total	$ 15,129,168	$ 1,413,370	$ 1,778,071	$ 200,325

The District entered into various financed purchase agreements classified as notes from direct borrowing for the purchase of technology equipment. The interest or discount rate used to calculate the liability for notes from direct borrowing and the related principal and interest ranged from 4.12% to 5.97%. Payment terms related to notes from direct borrowing are listed in the table above.

The District entered into various lease agreements for the leasing of building space and equipment. The interest or discount rate used to calculate the lease liability and the related principal and interest was 5.0%. Payment terms related to lease liabilities are listed in the table above.

PRELIMINARY

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Liabilities

See Notes 10 and 11 for detailed information on the District's Self Insurance Plan and Compensated Absences.

	June 30, 2021	Change in Accounting Principle	Additions	Retirements	June 30, 2022
Governmental activities					
Bonds payable					
General obligation bonds	$ 562,395,000	$ -	$ 115,280,000	$ (104,020,000)	$ 573,655,000
Bond premium	90,870,567	-	27,638,692	(11,647,272)	106,861,987
Certificates of participation payable	206,090,000	-	-	(17,635,000)	188,455,000
Notes from direct borrowing	-	15,965,094	6,073,249	(6,909,175)	15,129,168
Lease liability	-	2,163,663	-	(385,592)	1,778,071
Self insurance reserves and compensated absences	49,702,484	-	-	(1,631,889)	48,070,595
Total governmental activity long-term liabilities	$ 909,058,051	$ 18,128,757	$ 148,991,941	$ (142,228,928)	$ 933,949,821

The internal service fund typically liquidates the liability related to self-insurance and compensated absences.

NOTE 6 – FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. Administration also has the authority to internally assign portions of fund balance for specific purposes. Other amounts are identified as nonspendable as disbursement has been made for a good or service that will benefit future periods.

PRELIMINARY

NOTE 6 – FUND BALANCES (CONTINUED)

Restricted and nonspendable/assigned fund balances at June 30, 2022, are as follows:

	Restricted	Nonspendable/ Assigned
General Fund		
Nonspendable for prepaid items	$ -	$ 5,169,676
Nonspendable for inventory	-	124,920
Restricted for student activities	570,515	-
Restricted for long-term facilities maintenance	156,383	-
Restricted for basic skills extended time	6,306,894	-
Restricted for Contract Alternative Schools	1,164,265	-
Restricted for operting capital	8,783,209	-
Restricted for gifted and talented	483,254	-
Restricted for other purposes	234,359	-
Assigned for referendum - class size	-	42,965,438
Assigned for Capital Projects Referendum	-	10,028,833
Assigned for alternative compensation	-	3,405,507
Assigned for Curriculum Adoption/Replacement	-	3,500,000
Assigned for Funded Projects and Reemployment Insurance	-	3,747,225
Assigned for contingency		4,700,000
Total General Fund	17,698,879	73,641,599
Special Revenue Funds		
Food Service Fund		
Restricted for other purposes	-	-
Nonspendable for inventory	-	1,505,951
Community Service Fund		
Restricted for school readiness	961,509	-
Restricted for adult basic education	1,340,717	-
Restricted for community education programs	7,786	-
Restricted for early childhood and family	159,453	
Restricted for Grants & Funded Programs	2,702,901	-
Total Special Revenue Funds	5,172,366	1,505,951
Capital Projects - Building Construction Fund		
Nonspendable for prepaid items	-	681,551
Restricted for long-term facilities maintenance	115,342,597	-
Restricted for building construction	133,687,844	-
Total Building Construction Fund	249,030,441	681,551
Debt Service Fund		
Restricted for QSCB/QZAB	30,442,527	-
Restricted for other purposes	9,754,508	-
Total Debt Service Fund	40,197,035	-
Total all funds	$ 312,098,721	$ 75,829,101

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

PRELIMINARY

NOTE 6 – FUND BALANCES (CONTINUED)

Restricted for Gifted and Talented – The part of General Education Aid revenue for the gifted and talented program that is unspent at year end must be restricted in this Balance Sheet account

Restricted/Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Contracted Alternative Program – Pursuant to *Minnesota Statutes* 124D.68, subd. 3d and 124D.69, subd. 1, districts must reserve at least 95% of the average general education revenue, less basic skills revenue, per pupil unit times the number of pupil units for pupils, attending this program and the amount of basic skills revenue generated by pupils attending the program according to *Minnesota* S*tatutes* 126C.10, subd.4.

Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* 123B.595, subd. 12).

Restricted for Community Education Programs – The fund balance restriction represents accumulated resources available to provide general community education programming.

Restricted/Reserved for Basic Skills Extended Time – This balance represents resources available for the basic skills extended time uses listed in *Minnesota Statutes* 126C.15, subd. 1.

Restricted for Early Childhood and Family Education Programs – This fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

Restricted for School Readiness Programs – The fund balance restriction represents accumulated resources available to provide school readiness programming (*Minnesota Statutes* 124D.16).

Restricted for Adult Basic Education – The fund balance restriction represents accumulated resources available to provide adult basic education services.

Restricted for QSCB/QZAB – The fund balance restriction represents resources required by agreement to be segregated for future payments of Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) debt instruments. These resources are held by the District and will pay off the debt at maturity.

Restricted for Building Construction – Restricted for building construction represents available resources to fund construction expenditures on current and future contracts.

Restricted for Other Purposes – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

Teachers' Retirement Association

The District participates in various pension plans, total pension expense for the year ended June 30, 2022, was $(20,523,994). The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

A. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with *Minnesota Statutes*, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by Minnesota State.

B. Benefits Provided

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *Minnesota Statute* and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

Tier I Benefits

Tier 1	Step Rate Formula	Percentage
Basic	First ten years of service	2.2% per year
	All years after	2.7% per year
Coordinated	First ten years if service years are up to July 1, 2006	1.2% per year
	First ten years if service years are July 1, 2006, or after	1.4% per year
	All other years of service if service years are up to July 1, 2006	1.7% per year
	All other years of service if service years are July 1, 2006, or after	1.9% per year

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier I Benefits (Continued)

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under *Minnesota Statute*. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989, receive only the Tier II calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

C. Contribution Rate

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2020, June 30, 2021, and June 30, 2022, were:

	June 30, 2020		June 30, 2021		June 30, 2022	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.0%	11.92%	11.0%	12.13%	11.0%	12.34%
Coordinated	7.5%	7.92%	7.5%	8.13%	7.5%	8.34%

In an agreement related to the merger of the Minneapolis Teachers Retirement Association, the District has agreed to pay an additional 3.64% for a total employer contribution of 11.98%.

The following is a reconciliation of employer contributions in TRA's ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations. Amounts are reported in thousands.

Employer contributions reported in TRA's CAFR Statement of Changes in Fiduciary Net Position	$	448,829
Deduct employer contributions not related to future contribution efforts		379
Deduct TRA's contributions not included in allocation		(538)
Total employer contributions		448,670
Total non-employer contributions		37,840
Total contributions reported in S*chedule of Employer and Non-Employer Pension Allocations*	$	486,510

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

C. Contribution Rate (Continued)

Amounts reported in the allocation schedules may not precisely agree with basic financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

D. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation date	July 1, 2021
Measurement date	June 30, 2021
Experience study	June 5, 2019 (demographic assumptions) Novemeber 6, 2017, (economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Cost of living adjustment	1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.
Mortality Assumption	
Pre-retirement	RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of set rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	35.5 %	5.10 %
International stocks	17.5	5.30
Bonds (fixed income)	20.0	0.75
Alternative assets (private markets)	25.0	5.90
Unallocated Cash	2.0	0.00
Total	100.0 %	

The TRA actuary has determined the average of the expected remaining services lives of all members for fiscal year 2022 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is over a period of five years as required by GASB 68.

Changes in actuarial assumptions since the 2020 valuation:

- The investment return assumption was changed from 7.5% to 7.0%.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The discount rate used to measure the total pension liability at the prior measurement date was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability

On June 30, 2022, the District reported a liability of $278,840,267 for its proportionate share of the net pension liability. In addition, the net pension liability allocated to the district under a lump sum direct aid payment related to the District's merger into the fund is $20,240,383 for a total liability allocated to the District of $299,080,650. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 6.3716% at the end of the measurement period and 6.6594% for the beginning of the year. An additional 0.4625% was allocated at June 30, 2021, under the direct aid payment agreement.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	$ 299,080,650
State's proportionate share of the net pension liability associated with the District	23,520,205

For the year ended June 30, 2022, the District recognized pension expense of $(13,020,113). Included in this amount, the District recognized $(263,352) as pension expense for the support provided by direct aid.

On June 30, 2022, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,472,880	$ 9,126,790
Net difference between projected and actual earnings on plan investments	-	250,559,157
Changes of assumptions	109,615,789	314,271,818
Changes in proportion	-	107,543,749
Contributions to TRA subsequent to the measurement date	35,929,726	-
Total	$ 154,018,395	$ 681,501,514

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

The $35,929,726 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2023	$ (287,022,813)
2024	(195,309,967)
2025	(47,361,814)
2026	(50,960,414)
2027	17,242,163
Total	$ (563,412,845)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

	District proportionate share of NPL		
	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Standard share	$ 563,270,912	$ 278,840,267	$ 45,584,465
Direct aid share	40,886,559	20,240,383	3,308,873

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, or by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000, or by calling (651) 296-2409 or (800) 657-3669.

Public Employees' Retirement Association

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

The General Employees Retirement Plan covers certain full time and part time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1 the annuity accrual rate for a Coordinated Plan member is 1.2% for each of the first 10 years of service 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

C. Contributions

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2022, were $13,475,629. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2022, the District reported a liability of $101,944,135 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled $3,113,163.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 2.3872% at the end of the measurement period and 2.4981% for the beginning of the period.

District's proportionate share of net pension liability	$ 101,944,135
State of Minnesota's proportionate share of the net pension liability associated with the District	3,113,163
Total	$ 154,390,904

For the year ended June 30, 2022, the District recognized pension expense of $(7,503,881) for its proportionate share of General Employees Plan's pension expense. Included in this amount, the District recognized an additional $251,182 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At June 30, 2022, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 766,092	$ 3,136,556
Changes in actuarial assumptions	62,244,975	2,486,540
Difference between projected and actual investments earnings	-	87,996,496
Changes in proportion and differences between contributions made and District's proportion share of contributions	3,970,688	16,649,672
District's contributions to PERA subsequent to the measurement date	13,475,629	-
Total	$ 80,457,384	$ 110,269,264

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The $13,475,629 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense
2023	$ (8,050,345)
2024	(8,860,605)
2025	(2,295,679)
2026	(24,080,880)
Total	$ (43,287,509)

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees.
Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter.
Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PRELIMINARY

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

H. Pension Liability Sensitivity

The table on the following page presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
District's proportionate share of the PERA net pension liability	$ 207,913,996	$ 101,944,135	$ 14,989,396

I. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Fund's fiduciary net position is available in a separately-issued PERA financial report that includes the basic financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District provides a single-employer defined benefit health care plan to eligible retirees and their families. The plan offers medical and dental coverage administered by HealthPartners and Delta Dental, respectively. It is the District's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

B. Benefits Provided

Employees of the District who retire and have met the age and service requirements necessary to receive an annuity from PERA, TRA, or MERF are eligible to remain in the group health insurance plans. Employees who are at least age 55 or have 30 years or more service (including 10 years of service with the District) at retirement and are not qualified to participate in such program of medical insurance provided by another employer will receive health insurance. The District will contribute the same amount towards retiree health insurance as it would for active employees. The District will contribute the prevailing employer contribution from the master agreement in effect at the time of retirement until the earlier of age 65 or death. The General Fund, Capital Projects Fund, Food Service Fund, and Community Service Fund typically liquidate the Liability related to OPEB.

PRELIMINARY

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

B. Benefits Provided (Continued)

Dental insurance is covered by the District in the group plan for active employees and retirees contribute COBRA rates. For MPSASP and ELT plan members dental coverage through the District is only for those who were hired prior to July 1, 2010. Retirees for those plans still contribute the COBRA rates.

C. Members

As of June 30, 2021, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Active employees	5,840
Total	5,924

D. Contributions

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2022, the District contributed $1,393,726 to the plan.

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation measurement date as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	4.50%, net of investment expense
Salary Scale	3.00%
Inflation	2.50%
Healthcare cost trend increases	8.0% , decreasing to 4.5% over eight years
Mortality Assumption	RP-2014 Disabled Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2020, from a base year of 2014.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2020 – June 30, 2021.

PRELIMINARY

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

Changes in Actuarial Assumptions

- Discount rate was increased 2.53% to 4.15%
- Per-Capita Costs were updated to reflect experience since the pervious valuation
- Medical Trend rates were shifted to maintain the same immediate rate of 8.00 %

The discount rate used to measure the total OPEB liability was 4.15% based on the long-term expected rate of return and the municipal bond index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale).

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	50.0 %	0.00 %
Domestic equity	33.0	3.60
International equity	17.0	4.50
Unallocated cash	0.0	0.00
Other	0.0	0.00
Total	100.0 %	

The details of the investments and the investment policy are described in Note 2. of the District's basic financial statements. For the year ended June 30, 2022, the annual money-weighed rate of return on investments, net of investment expense, was 22.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

F. Discount Rate

The discount rate used to measure the total OPEB liability was 4.15%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

PRELIMINARY

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2021	$ 67,542,617	$ 26,504,022	$ 41,038,595
Changes for the year			
Service cost	5,296,029	-	5,296,029
Interest	1,592,231	-	1,886,130
Differences between expected and actual economic experience	347,613	(4,644,817)	(4,891,341)
Employer contributions	-	1,393,726	(618,046)
Changes in assumptions	(14,247,617)	-	1,972,160
Benefit payments	(1,393,726)	(1,393,726)	-
Projected earnings on fiduciary net position	-	1,190,606	(977,564)
Administrative expense	-	(92,205)	92,205
Other charges	-	-	-
Net changes	(8,405,470)	(3,546,416)	(4,859,054)
Balances at June 30, 2022	$ 59,137,147	$ 22,957,606	$ 36,179,541
Plan fiduciary net position as a percentage of the total OPEB liability			38.82%

H. OPEB Liability Sensitivity

The following presents the District's net OPEB liability calculated using the discount rate of 4.15% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease in Discount Rate (3.15%)	Current Discount Rate (4.15%)	1% Increase in Discount Rate (5.15%)
Net OPEB Liability	$ 41,266,142	$ 36,179,541	$ 31,476,277

PRELIMINARY

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

H. OPEB Liability Sensitivity (Continued)

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using trend rates that are 1% lower and 1% higher than the trend rates.

	1% Decrease in Trend Rate (7.00%)	Current Trend Rate (8.00%)	1% Increase in Trend Rate (9.00%)
Net OPEB Liability	$ 29,017,684	$ 36,179,541	$ 44,727,069

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of $1,010,812. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 1,271,746	$ -
Differences between expected and actual economic experience	312,990	15,185,453
Changes of assumptions	2,150,315	21,500,530
Total	$ 3,735,051	$ 36,685,983

PRELIMINARY

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Total
2023	$ (4,716,273)
2024	(4,504,373)
2025	(4,541,983)
2026	(3,772,841)
2027	(4,701,804)
2028 +	(10,713,658)
Total	$ (32,950,932)

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

B. Contingencies

The District is subject to legal proceedings and claims which arise in the ordinary course of business. Management has accrued claims payable in the amount of $9,497,669 as disclosed in Note 11 for general liability, auto liability, and worker's compensation claims.

C. Teachers Retirement Association

The District is required to levy for and contribute amounts to Minnesota Teachers Retirement Association under *Minnesota statutes* totaling $2,250,000 each year, due by October 1. These amounts are further described in Note 7 as direct aid contributions.

D. Construction Commitments

The District has in process various multi-year construction and repair projects which were not completed in the current fiscal year. As of June 30, 2022, outstanding commitments for these multi-year projects total approximately $16,134,361.

PRELIMINARY

NOTE 10 – COMPENSATED ABSENCES

Employees of the District are eligible for severance pay based on unused sick leave as follows:

A. Administrators

Employees who are at least 55 years of age or who are credited with 30 years of service by the Minneapolis Teachers Retirement Fund Association (MORFA) may be eligible to receive payment for 50% of unused sick leave.

B. Teachers

Employees who are at least 55 years of age or who are credited with 30 years of service by the MTRFA receive payment for 50% of unused sick leave. All amounts of vested sick pay are accrued as liabilities in the Internal Service Post Retirement Benefits Fund.

C. Principals

Employees hired on or before July 1, 2014, and who are at least 55 years of age or who are credited with 30 years of service receive severance pay amounting to 60% of unused sick leave. Employees hired after July 1, 2014, receive payment up to 80 hours of unused sick leave at 60% of the daily rate of pay.

NOTE 11 – RISK MANAGEMENT

The District accounts for the risk management activities of workers' compensation and general liability exposure in its Self-Insurance Fund, a proprietary-type Internal Service Fund. Inter-fund premiums for coverage are charged to activities of user funds as quasi-external transactions. The District purchases insurance coverage for its property exposure, with an aggregate coverage amount of $250,000,000.

The District is self-insured for workers' compensation coverage and caps its liability with the purchase of reinsurance coverage. The District is a member of Workers' Compensation Reinsurance Association (WCRA), which reimburses members for individual claim losses exceeding a member's chosen retention limit. The retention limit for the District at June 30, 2022 and 2021, was $2,000,000.

Liabilities of $8,920,669 have been recorded in the Self-Insurance Fund for known workers' compensation claims and for claims incurred but not reported as of June 30, 2022. The recorded reserves are actuarially evaluated annually and adjusted accordingly. The discount rate used at June 30, 2022, was 4.0%.

The District became self-insured for general liability for claims incurred after January 1, 1990, through June 30, 1999, and for claims incurred after July 1, 2001 (the self-insurance period). The District purchased general liability insurance from Royal Insurance covering the period from July 1, 1999 through June 30, 2001. Claims incurred during the self-insurance period are the responsibility of the District. *Minnesota Statutes* limit the maximum liability of a public employer to $300,000 per claimant and $1,500,000 for claims from a single event. There are several lawsuits pending in which the District is involved. The District estimates that the potential claims against the District that are not covered by insurance or reserves resulting from such litigation would not materially affect the District's basic financial statements. Liabilities of $577,000 have been established to cover such claims as of June 30, 2022.

PRELIMINARY

NOTE 11 – RISK MANAGEMENT (CONTINUED)

The following summarizes claims activity in the District's self-insurance internal service fund related to general liability and workers' compensation:

Claims incurred but not reported or case reserves at June 30, 2019	$ 9,302,370
Claims incurred, fiscal year 2020	985,458
Claims paid, fiscal year 2020	(322,571)
Claims incurred but not reported or case reserves at June 30, 2020	9,965,257
Claims incurred, fiscal year 2021	6,097,603
Claims paid, fiscal year 2021	(5,029,334)
Claims incurred but not reported or case reserves at June 30, 2021	11,033,526
Claims incurred, fiscal year 2022	3,991,113
Claims paid, fiscal year 2022	(5,526,970)
Claims incurred but not reported or case reserves at June 30, 2022	$ 9,497,669

The District maintains commercial coverage for property insurance.

The District is self-insured for health benefits. A stop-loss policy was purchased that limits the District's loss to $300,000 at which point the reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 120% of the prior year's claims. Settled claims have not exceeded this commercial coverage in any of the past three years.

The governmental funds of the District participate in the program and make payments to the Self Insured Medical Benefits Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Participants in the program make premium payments to the fund based on the insurance premium. The Self Insured Medical Benefits Internal Service Fund does not include a reserve for catastrophe losses. The total claims liability reported in the Fund at June 30, 2022, is $5,183,219 and include amounts for known claims and for estimated incurred but not reported claims. These estimates are determined based on the probability that a loss has occurred, and the amount of the loss can be reasonably estimated.

PRELIMINARY

NOTE 11 – RISK MANAGEMENT (CONTINUED)

Changes in the Fund's claims liability amounts for the past five years were as follows:

	Balance, Beginning of Year	Claims, Expense and Estimates	Claims Payments	Balance, End of Year
2019-2020	$ 3,378,108	$ 48,258,549	$ (48,538,996)	$ 3,097,661
2020-2021	3,097,661	53,521,331	(53,169,390)	3,449,602
2021-2022	3,449,602	55,496,472	(53,762,855)	5,183,219

NOTE 12 – PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2022, a prior period adjustment was required to adjustment beginning fund balance for the Debt Service Fund and Post Employment Benefits Debt Service Fund to correct a prior year misstatement. Beginning fund balance was adjusted to correct the allocation of a debt service payment to the proper fund in the amount of $2,262,900.

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This resulted in the District recognizing leased assets and a lease liability and also resulted in certain leases being reclassified to finance purchases from direct borrowing.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2022, a prior period adjustment was required to adjustment beginning fund balance for the Debt Service Fund and Post Employment Benefits Debt Service Fund to correct a prior year misstatement. Beginning fund balance was adjusted to correct the allocation of a debt service payment to the proper fund in the amount of $2,262,900.

NOTE 15 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. This statement will be effective for the year ending June 30, 2023.

PRELIMINARY

REQUIRED SUPPLEMENTARY INFORMATION

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Schedule of Changes in Net OPEB Liability
and Related Ratios

	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB Liability			
Service cost	$ 6,076,552	$ 6,419,803	$ 6,069,488
Interest	3,005,357	2,178,073	2,804,957
Differenced between expected and actual experience	-	(7,083,960)	-
Changes of assumptions	-	(2,164,523)	939,873
Benefit payments	(285,922)	(1,376,822)	(1,782,208)
Implicit rate subsidies	(1,920,313)	-	-
Net change in total OPEB liability	6,875,674	(2,027,429)	8,032,110
Beginning of year	67,888,829	74,764,503	72,737,074
End of Year	$ 74,764,503	$ 72,737,074	$ 80,769,184
Plan Fiduciary Net Pension (FNP)			
Employer contributions	$ -	$ 3,376,822	$ 1,782,208
Net investment income	1,272,204	-	-
Projected earnings on fiduciary net position	-	773,287	863,995
Net difference between projected and actual earnings		313,862	1,059,510
Benefit payments	-	(1,376,822)	(1,782,208)
Administrative expense	-	(69,058)	(73,760)
Net change in plan fiduciary net position	1,272,204	3,018,091	1,849,745
Beginning of year	14,946,492	16,218,695	19,236,786
End of year	$ 16,218,696	$ 19,236,786	$ 21,086,531
Net OPEB liability	$ 58,545,807	$ 53,500,288	$ 59,682,653
Plan FNP as a percentage of the total OPEB liability	21.69%	26.45%	26.11%
Covered-employee payroll	$ 363,751,046	$ 360,122,986	$ 372,727,291
Net OPEB liability as a percentage of covered-employee payroll	16.10%	14.86%	16.01%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

PRELIMINARY

See notes to required supplementary information.

June 30, 2020	June 30, 2021	June 30, 2022
$ 4,623,805	$ 5,213,029	$ 5,296,029
1,939,402	1,886,130	1,592,231
(15,311,149)	(1,045,632)	347,613
(10,786,001)	1,972,160	(14,247,617)
(1,100,265)	(618,046)	(1,393,726)
-	-	-
(20,634,208)	7,407,641	(8,405,470)
80,769,184	60,134,976	67,542,617
$ 60,134,976	$ 67,542,617	$ 59,137,147
$ 1,100,265	$ 618,046	$ 1,393,726
-	-	-
947,116	977,564	1,190,606
(188,054)	3,845,709	(4,644,817)
(1,100,265)	(618,046)	(1,393,726)
(79,035)	(85,809)	(92,205)
680,027	4,737,464	(3,546,416)
21,086,531	21,766,558	26,504,022
$ 21,766,558	$ 26,504,022	$ 22,957,606
$ 38,368,418	$ 41,038,595	$ 36,179,541
36.20%	39.24%	38.82%
$ 331,585,577	$ 371,887,319	$ 363,821,219
11.57%	11.04%	9.94%

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Schedule of Employer Contributions - OPEB

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Actuarially determined contribution	$ 8,990,196	$ 1,251,751	$ 1,778,462	$ 1,037,462
Contributions in relation to the actuarially determined contribution	2,356,085	3,376,822	1,782,208	1,100,265
Contribution deficiency (excess)	$ 6,634,111	$ (2,125,071)	$ (3,746)	$ (62,803)
Covered-employee payroll	$ 363,751,046	$ 360,122,986	$ 372,727,291	$ 331,585,577
Contributions as a percentage of covered-employee payroll	0.65%	0.94%	0.48%	0.33%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

PRELIMINARY

See notes to required supplementary information.

June 30, 2021	June 30, 2022
$ 618,046	$ 1,393,726
618,046	1,393,726
$ -	$ -
$ 371,887,319	$ 363,821,219
0.17%	0.38%

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Schedule of Investment Returns

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Annual money-weighted rate of return, net of investment expense	8.97%	6.72%	10.02%	3.61%	22.20%	-13.05%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

PRELIMINARY

See notes to required supplementary information.

Minneapolis Public Schools
Special School District No. 1
Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability - General Employees Retirement Fund
Last Ten Years*

For Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	1.9676%	$ 92,427,990	$ -	$ 92,427,990	$ 103,293,324	89.5%	78.7%
2015	3.5536%	184,165,995	-	184,165,995	110,161,680	167.2%	78.2%
2016	3.3730%	273,870,870	3,577,010	277,447,880	114,079,707	240.1%	78.8%
2017	2.8326%	180,831,314	2,273,787	183,105,101	87,249,667	207.3%	75.9%
2018	2.6337%	146,106,878	4,792,584	150,899,462	81,788,760	178.6%	79.5%
2019	2.9200%	161,440,259	5,017,615	166,457,874	111,419,373	144.9%	80.2%
2020	2.4981%	149,772,511	4,618,393	154,390,904	82,920,813	180.6%	79.1%
2021	2.3872%	101,944,135	3,113,163	105,057,298	76,839,200	132.7%	87.0%

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available

Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability - TRA Retirement Fund
Last Ten Years*

For Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionated Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	8.6534%	$ 398,742,430	$ 25,768,509	$ 424,510,939	$ 238,717,909	167.0%	81.5%
2015	8.1323%	503,063,183	57,223,106	560,286,289	257,683,734	195.2%	76.8%
2016	9.1760%	2,188,694,939	192,864,529	2,394,574,710	301,171,984	726.7%	44.9%
2017	8.3442%	1,665,653,683	150,258,878	1,815,912,561	282,186,562	590.3%	51.6%
2018	7.8961%	495,950,319	43,395,549	539,345,868	273,509,336	181.3%	78.1%
2019	7.3196%	466,552,841	38,392,377	504,945,218	262,426,079	177.8%	78.2%
2020	7.1483%	528,125,983	41,243,603	569,369,586	265,187,388	199.2%	75.5%
2021	6.8341%	299,080,650	23,520,205	322,600,855	259,255,930	115.4%	86.6%

The District's Proportion and Proportionate Share of the Net Pension Liability include the percentage and amount under a special funding situation.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

See notes to required supplementary information.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years*

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 7,488,766	$ 7,488,766	$ -	$ 103,293,324	7.25%
2015	8,262,126	8,262,126	-	110,161,680	7.50%
2016	8,555,978	8,555,978	-	114,079,707	7.50%
2017	6,543,725	6,543,725	-	87,249,667	7.50%
2018	6,134,157	6,134,157	-	81,788,760	7.50%
2019	8,356,453	8,356,453	-	111,419,373	7.50%
2020	6,219,061	6,219,061	-	82,920,813	7.50%
2021	5,762,940	5,762,940	-	76,839,200	7.50%
2022	6,333,229	6,333,229	-	84,443,053	7.50%

In addition to these contributions, the District made an annual contribution of $ 7,142,400 under a special funding situation for fiscal year 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

Schedule of District Contributions
TRA Retirement Fund
Last Ten Years*

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 25,399,585	$ 25,399,585	$ -	$ 228,003,456	11.14%
2015	28,705,968	28,705,968	-	257,683,734	11.14%
2016	33,550,559	33,550,559	-	301,171,984	11.14%
2017	31,435,583	31,435,583	-	282,186,562	11.14%
2018	30,468,940	30,468,940	-	273,509,336	11.14%
2019	29,785,360	29,785,360	-	262,426,079	11.35%
2020	30,655,662	30,655,662	-	265,187,388	11.56%
2021	30,514,423	30,514,423	-	259,255,930	11.77%
2022	33,679,726	33,679,726	-	281,132,938	11.98%

In addition to these contributions, the District makes an annual contribution of $ 2,250,000 under a special funding situation.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information

TRA Retirement Funds

2021 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019 Changes

Changes in Actuarial Assumptions

- None

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

PRELIMINARY

TRA Retirement Funds (Continued)

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

PRELIMINARY

TRA Retirement Funds (Continued)

2015 Changes

Changes of Benefit Terms

- The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information

General Employees Fund

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changes as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retires electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

PRELIMINARY

General Employees Fund (Continued)

2019 Changes (Continued)

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changes prospectively, requiring $16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

PRELIMINARY

General Employees Fund (Continued)

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information

Post Employment Health Care Plan

2021 Changes

Changes in Actuarial Assumptions

- Discount rate was increased from 2.53% to 4.15%.
- Per-capita costs were updated to reflect experience since the previous valuation.
- Medical Trend rates were shifted to maintain the same immediate rate of 8.00%.

2020 Changes

Changes in Actuarial Assumptions

- Discount rate was decreased from 2.90% to 2.53%.

2019 Changes

Changes in Actuarial Assumptions

- Discount rate was decreased from 3.46% to 2.90%.
- Annual wage increase rate was decreased from 3.50% to 3.00%
- Loads on healthcare trend were removed due to the repeal of the so-call "Cadillac Tax"
- Per-capita costs were updated to reflect experience since the previous valuation, including increase in morbidity assumption from 3.00% to 4.00%
- Future retiree plan election was updated for Plan 1, Plan 2, and Plan 3 from 75%, 23%, 2% to 50%, 40%, 10%, respectively
- Mortality improvement scale was updated from MP-2015 to MP-2018 for all groups except Teachers and Principals

2018 Changes

Changes in Actuarial Assumptions

- Discount rate was decreased from 3.60% to 3.46%.

PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

SUPPLEMENTARY INFORMATION

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			Debt Service	
	Food Service	Community Service	Total	Post Employment Benefits Debt Service	Total Nonmajor Funds
Assets					
Cash and investments	$ -	$ 7,234,505	$ 7,234,505	$ -	$ 7,234,505
Current property taxes receivable	-	2,790,502	2,790,502	-	2,790,502
Delinquent property taxes receivable	-	35,386	35,386	-	35,386
Accounts receivable	35,206	78,318	113,524	-	113,524
Due from Department of Education	64,321	1,742,193	1,806,514	-	1,806,514
Due from other Minnesota school districts	-	510	510	-	510
Due from Federal Government through Department of Education	4,073,235	-	4,073,235	-	4,073,235
Due from Federal Government received directly	50,264	253,344	303,608	-	303,608
Due from other governmental units	16,427	90,584	107,011	-	107,011
Inventory	1,505,951	-	1,505,951	-	1,505,951
Total assets	$ 5,745,404	$ 12,225,342	$ 17,970,746	$ -	$ 17,970,746
Liabilities					
Accounts payable	$ 1,404,614	$ 405,813	$ 1,810,427	$ -	$ 1,810,427
Salaries and benefits payable	278,803	197,188	475,991	-	475,991
Due to other funds	2,456,396	-	2,456,396	-	2,456,396
Deferred revenue	220,335	873,367	1,093,702	-	1,093,702
Total liabilities	4,360,148	1,476,368	5,836,516	-	5,836,516
Deferred Inflows of Resources					
Property taxes levied for subsequent year's expenditures	-	5,541,222	5,541,222	-	5,541,222
Unavailable revenue - delinquent property taxes	-	35,386	35,386	-	35,386
Total deferred inflows of resources	-	5,576,608	5,576,608	-	5,576,608
Fund Balances					
Nonspendable	1,505,951	-	1,505,951	-	1,505,951
Restricted					
Restricted for other purposes	-	2,702,901	2,702,901	-	2,702,901
Community education programs	-	7,786	7,786	-	7,786
Adult basic education	-	1,340,717	1,340,717	-	1,340,717
Early childhood and family Education programs	-	159,453	159,453	-	159,453
School readiness	-	961,509	961,509	-	961,509
Unassigned	(120,695)	-	(120,695)	-	(120,695)
Total fund balances	1,385,256	5,172,366	6,557,622	-	6,557,622
Total liabilities, deferred inflows of resources and fund balances	$ 5,745,404	$ 12,225,342	$ 17,970,746	$ -	$ 17,970,746

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds			Debt Service	
	Food Service	Community Service	Total	Post Employment Benefits Debt Service	Total Nonmajor Funds
Revenues					
Local sources					
Local property taxes	$ -	$ 5,432,626	$ 5,432,626	$ 2,351,955	$ 7,784,581
Earnings on investments	2,076	(36,970)	(34,894)	(31,460)	(66,354)
Other local and county revenues	116,008	6,298,968	6,414,976	-	6,414,976
Revenue from state sources	660,761	12,984,188	13,644,949	8,677	13,653,626
Revenue from federal sources	19,800,354	5,022,700	24,823,054	-	24,823,054
Sales and other conversion of assets	588,875	-	588,875	-	588,875
Total revenues	21,168,074	29,701,512	50,869,586	2,329,172	53,198,758
Expenditures					
Current					
Food service	25,151,830	-	25,151,830	-	25,151,830
Community education and services	-	29,585,682	29,585,682	-	29,585,682
Capital outlay					
Food service	71,668	-	71,668	-	71,668
Community education and services	-	3,873	3,873	-	3,873
Debt service					
Principal	-	-	-	2,220,000	2,220,000
Interest and fiscal charges	-	-	-	44,400	44,400
Total expenditures	25,223,498	29,589,555	54,813,053	2,264,400	57,077,453
Excess of revenues over (under) expenditures	(4,055,424)	111,957	(3,943,467)	64,772	(3,878,695)
Other Financing Sources (Uses):					
Transfers Out	-	-	-	(470,867)	(470,867)
Total Other Financing Sources (Uses)	-	-	-	(470,867)	(470,867)
Net Change in Fund Balances	(4,055,424)	111,957	(3,943,467)	(406,095)	(4,349,562)
Fund Balances					
Beginning of year, as previously stated	5,440,680	5,060,409	10,501,089	2,668,995	13,170,084
Prior period adjustment (Note 12)	-	-	-	(2,262,900)	(2,262,900)
Beginning of year, restated	5,440,680	5,060,409	10,501,089	406,095	10,907,184
End of year	$ 1,385,256	$ 5,172,366	$ 6,557,622	$ -	$ 6,557,622

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Food Service Special Revenue Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Over (Under)
Revenues				
Local sources				
Earnings on investments	$ -	$ -	$ 2,076	$ 2,076
Other local and county revenues	50,000	50,000	116,008	66,008
Revenue from state sources	435,000	435,000	660,761	225,761
Revenue from federal sources	21,231,348	21,231,348	19,800,354	(1,430,994)
Sales and other conversion of assets	665,800	665,800	588,875	(76,925)
Total revenues	22,382,148	22,382,148	21,168,074	(1,214,074)
Expenditures				
Current				
Food service	22,297,148	22,297,148	25,151,830	2,854,682
Capital outlay				
Food service	85,000	85,000	71,668	(13,332)
Total expenditures	22,382,148	22,382,148	25,223,498	2,841,350
Excess of revenues over (under) expenditures	$ -	$ -	(4,055,424)	$ (4,055,424)
Fund Balance				
Beginning of year			5,440,680	
End of year			$ 1,385,256	

PRELIMINARY

See notes to basic financial statements.

Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Community Service Special Revenue Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Over (Under)
Revenues				
Local sources				
Local property taxes	$ 5,248,612	$ 5,248,612	$ 5,432,626	$ 184,014
Earnings on investments	-	-	(36,970)	(36,970)
Other local and county revenues	10,870,994	10,870,994	6,298,968	(4,572,026)
Revenue from state sources	11,705,614	11,705,614	12,984,188	1,278,574
Revenue from federal sources	5,042,192	5,042,192	5,022,700	(19,492)
Total revenues	32,867,412	32,867,412	29,701,512	(3,165,900)
Expenditures				
Current				
Community education and services	34,915,488	34,915,488	29,585,682	(5,329,806)
Capital outlay				
Community education and services	19,660	19,660	3,873	(15,787)
Total expenditures	34,935,148	34,935,148	29,589,555	(5,345,593)
Excess of revenues over (under) expenditures	$ (2,067,736)	$ (2,067,736)	111,957	$ 2,179,693
Fund Balance				
Beginning of year			5,060,409	
End of year			$ 5,172,366	

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Uniform Financial Accounting and Reporting Standards
Compliance Table
Year Ended June 30, 2022

	Audit	UFARS	Audit-UFARS
01 GENERAL FUND			
Total revenue	$643,209,266	$643,209,265	$ 1
Total expenditures	648,092,852	648,092,854	(2)
Nonspendable:			
4.60 Nonspendable fund balance	5,294,596	5,294,596	-
Restricted/reserved:			
4.01 Student Activities	570,515	570,514	1
4.02 Scholarships	-	-	-
4.03 Staff Development	-	-	-
4.05 Deferred Maintenance	-	-	-
4.07 Capital Projects Levy	-	-	-
4.08 Cooperative Programs	-	-	-
4.13 Building Projects Funded by COP/LP	-	-	-
4.14 Operating Debt	-	-	-
4.16 Levy Reduction	-	-	-
4.17 Taconite Building Maintenance	-	-	-
4.23 Certain Teacher Programs	-	-	-
4.24 Operating Capital	8,783,209	8,783,209	-
4.26 $25 Taconite	-	-	-
4.27 Disabled Accessibility	-	-	-
4.28 Learning and Development	-	-	-
4.34 Area Learning Center	-	-	-
4.35 Contracted Alternative Programs	1,164,265	1,164,266	(1)
4.36 State Approved Alternative Program	-	-	-
4.38 Gifted and Talented	483,254	483,253	1
4.40 Teacher Development and Evaluation	-	-	-
4.41 Basic Skills Programs	-	-	-
4.45 Career Technical Programs	-	-	-
4.48 Achievement and Integration	-	-	-
4.49 Safe School Crime	-	-	-
4.51 QZAB and QSCB Payments	-	-	-
4.52 OPEB Liabilities not Held in Trust	-	-	-
4.53 Unfunded Severance and Retirement Levy	-	-	-
4.59 Basic Skills Extended Time	6,306,894	6,306,895	(1)
4.67 Long-term Facilities Maintenance	156,383	156,383	-
Restricted:			
4.72 Medical Assistance	-	-	-
4.64 Restricted fund balance	234,359	234,359	-
4.75 Title VII - Impact Aid	-	-	-
4.76 Payments in Lieu of Taxes	-	-	-
Committed:			
4.18 Committed for separation	-	-	-
4.61 Committed	-	-	-
Assigned:			
4.62 Assigned fund balance	68,347,003	68,347,003	-
Unassigned:			
4.22 Unassigned fund balance (net position)	53,613,747	53,613,743	4
02 FOOD SERVICE FUND			
Total revenue	$ 21,168,074	$ 21,168,075	$ (1)
Total expenditures	25,223,498	25,223,501	(3)
Nonspendable:			
4.60 Nonspendable fund balance	1,505,951	1,505,952	(1)
Restricted/reserved:			
4.52 OPEB liabilities not held in trust	-	-	-
Restricted:			
4.64 Restricted fund balance	-	-	-
Unassigned:			
4.63 Unassigned fund balance	(120,695)	(120,697)	2
04 COMMUNITY SERVICE FUND			
Total revenue	$ 29,701,512	$ 29,701,513	$ (1)
Total expenditures	29,589,555	29,589,554	1
Nonspendable:			
4.60 Nonspendable fund balance	-	-	-
Restricted/reserved:			
4.26 $25 Taconite	-	-	-
4.31 Community Education	7,786	7,786	-
4.32 ECFE	159,453	159,453	-
4.40 Teacher Development and Evaluation	-	-	-
4.44 School Readiness	961,509	961,509	-
4.47 Adult Basic Education	1,340,717	1,340,717	-
4.52 OPEB Liabilities not Held in trust	-	-	-
Restricted:			
4.64 Restricted fund balance	2,702,901	2,702,903	(2)
Unassigned:			
4.63 Unassigned fund balance	-	-	-

	Audit	UFARS	Audit-UFARS
06 BUILDING CONSTRUCTION FUND			
Total revenue	$ 597,098	$ 597,096	$ 2
Total expenditures	73,373,599	73,373,600	(1)
Nonspendable:			
4.60 Nonspendable fund balance	681,551	681,551	-
Restricted/reserved:			
4.07 Capital Projects Levy	-	-	-
4.13 Building Projects Funded by COP/LP	-	-	-
4.67 Long-term Facilities Maintenance	111,202,616	111,202,617	(1)
Restricted:			
4.64 Restricted fund balance	137,827,825	137,827,824	1
Unassigned:			
4.63 Unassigned fund balance	-	-	-
07 DEBT SERVICE FUND			
Total revenue	$ 89,232,989	$ 89,232,989	$ -
Total expenditures	94,187,130	94,187,129	1
Nonspendable:			
4.60 Nonspendable fund balance	-	-	-
Restricted/reserved:			
4.25 Bond refundings	-	-	-
4.33 Maximum effort loan aid	-	-	-
4.51 QZAB payments	30,442,527	30,442,527	-
4.67 LTFM	-	-	-
Restricted:			
4.64 Restricted fund balance	9,754,508	9,754,508	-
Unassigned:			
4.63 Unassigned fund balance	-	-	-
08 TRUST FUND			
Total revenue	$ -	$ -	$ -
Total expenditures	-	-	-
Unassigned:			
4.01 Student Activities	-	-	-
4.02 Scholarships	-	-	-
4.22 Net position	-	-	-
18 CUSTODIAL			
Total revenue	$ -	$ -	$ -
Total expenditures	-	-	-
Restricted/reserved:			
4.01 Student Activities	-	-	-
4.02 Scholarships	-	-	-
4.48 Achievement and Integration	-	-	-
4.65 Restricted	-	-	-
20 INTERNAL SERVICE FUND			
Total revenue	$ 64,437,830	$ 64,437,830	$ -
Total expenditures	67,111,309	67,111,311	(2)
Unassigned:			
4.22 Net position	36,630,974	36,630,971	3
25 OPEB REVOCABLE TRUST			
Total revenue	$ -	$ -	$ -
Total expenditures	-	-	-
Unassigned:			
4.22 Net position	-	-	-
45 OPEB IRREVOCABLE TRUST			
Total revenue	$ (3,546,416)	$ (3,546,416)	$ -
Total expenditures	-	-	-
Unassigned:			
4.22 Net position	22,957,606	22,957,606	-
47 OPEB DEBT SERVICE			
Total revenue	$ 2,329,172	$ 2,329,172	$ -
Total expenditures	2,264,400	2,264,400	-
Nonspendable:			
4.60 Nonspendable fund balance			
Restricted:	-	-	-
4.25 Bond refundings			
4.64 Restricted fund balance	-	-	-
Unassigned:			
4.63 Unassigned fund balance	-	-	-

PRELIMINARY

STATISTICAL SECTION

PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Statistical Section (Unaudited)

III. Statistical Section (Unaudited)

This part of Special School District No. 1's annual comprehensive financial report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. 112

Revenue Capacity
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. 128

Debt Capacity
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. 136

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. 143

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. 146

PRELIMINARY

Sources: Unless otherwise noted, the information in these schedules is derived from the District's financial statements for the relevant year.

Minneapolis Public Schools
Special School District No. 1
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	$ 101,257,946	$ 153,702,908	$ 158,432,953	$ 163,600,431
Restricted	48,399,483	35,800,506	27,255,199	20,331,931
Unrestricted	104,979,954	77,155,040	(526,252,170)	(552,605,238)
	$254,637,383	$266,658,454	($340,564,018)	($368,672,876)

Note 1: The District implemented GASB Statement No. 65 in fiscal 2014. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately $3.8 million.

Note 2: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately $622.0 million.

Note 3: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2018. The District reported a change in accounting principle as a result of implementing these standards that decreased unrestricted net position by approximately $35.8 million.

Note 4: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing these standards that increased unrestricted net position by approximately $696 thousand.

Note 5: The District reported a prior period adjustment in fiscal 2021, increasing unrestricted net position by approximately $14.0 million. Prior fiscal years were not adjusted to reflect the impact of this adjustment.

PRELIMINARY

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 149,160,083	$ 159,397,295	$ 154,921,449	$ 152,437,418	$ 167,231,208	$ 180,023,633
35,723,782	35,798,200	39,223,672	47,574,870	54,965,174	50,733,450
(870,333,620)	(1,196,502,668)	(963,390,821)	(965,866,372)	(945,402,805)	(862,696,210)
($685,449,755)	($1,001,307,173)	($769,245,700)	($765,854,084)	($723,206,423)	($631,939,127)

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
Administration	$ 13,576,696	$ 13,473,342	$ 14,463,532	$ 18,298,352
District support services	33,909,547	26,716,274	30,330,583	26,864,475
Elementary and secondary regular instruction	271,063,329	273,343,235	278,074,269	304,864,660
Vocational education instruction	4,273,982	4,082,943	3,989,570	4,191,742
Special education instruction	110,670,327	114,726,330	112,253,986	128,294,358
Instructional support services	41,485,771	40,284,398	46,257,355	56,903,247
Pupil support services	54,979,766	55,251,902	63,653,294	70,333,762
Sites and buildings	59,370,674	54,080,348	65,034,547	61,837,606
Fiscal and other fixed cost programs	539,461	566,697	567,196	585,971
Food service	20,180,224	19,148,563	19,370,135	22,736,775
Community service	24,474,808	24,683,707	24,319,959	28,205,073
Interest and fiscal charges	13,683,301	11,840,927	15,789,065	16,485,498
Total governmental activities expenses	648,207,886	638,198,666	674,103,491	739,601,519
Program revenues				
Governmental activities				
Charges for services				
Food service	1,610,732	1,810,195	2,004,093	2,348,480
Community service	7,567,968	7,285,021	7,673,821	7,931,383
All other	6,672,467	6,830,418	6,772,061	7,412,017
Operating grants and contributions	133,191,221	131,683,565	138,133,051	155,997,379
Capital grants and contributions	11,000,000	11,000,000	11,000,000	11,000,000
Total governmental activities program revenues	160,042,388	158,609,199	165,583,026	184,689,259
Net (expense) revenue	(488,165,498)	(479,589,467)	(508,520,465)	(554,912,260)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	103,878,013	77,578,097	107,272,419	116,393,510
Property taxes, levied for capital projects	1,361,633	4,971,017	8,327,570	82,169
Property taxes, levied for community service	4,759,244	2,406,822	5,020,422	5,142,659
Property taxes, levied for debt service	56,406,896	62,025,199	51,197,512	57,175,506
Unrestricted grants and contributions	298,038,183	338,222,498	337,642,221	336,893,500
Other general revenues	9,080,578	9,349,579	12,335,707	8,302,254
Investment earnings	102,088	912,544	1,489,607	2,843,804
Total general revenues and other changes in net position	473,626,635	495,465,756	523,285,458	526,833,402
Change in net position	(14,538,863)	15,876,289	14,764,993	(28,078,858)
Prior period adjustment	-	-	-	-
Change in accounting principle	-	(3,855,218)	(622,017,465)	-
Total change in net position	$ (14,538,863)	$ 12,021,071	$ (607,252,472)	$ (28,078,858)

Note 1: The District implemented GASB Statement No. 65 in fiscal 2014. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately $3.8 million.

Note 2: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately $622.0 million.

Note 3: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2018. The District reported a change in accounting principle as a result of implementing these standards that decreased unrestricted net position by approximately $35.8 million.

Note 4: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing these standards that increased unrestricted net position by approximately $696 thousand.

Note 5: The District reported a prior period adjustment in fiscal 2021, increasing unrestricted net position by approximately $14.0 million. Prior fiscal years were not adjusted to reflect the impact of this adjustment.

PRELIMINARY

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 29,036,288	$ 24,413,289	$ 5,475,381	$ 16,864,097	$ 17,003,242	$ 14,936,110
22,972,094	30,190,752	27,778,362	19,824,078	24,318,391	48,857,105
494,078,827	461,472,662	123,939,300	309,850,944	280,150,136	251,618,186
6,788,131	6,528,984	1,742,583	5,068,728	5,089,516	5,013,209
185,485,643	170,696,488	57,885,398	118,877,734	122,202,296	103,577,983
90,336,077	66,244,175	29,676,916	45,584,282	41,490,014	40,278,990
87,780,289	80,939,128	56,404,314	73,028,360	63,131,018	78,666,331
82,267,082	77,919,006	96,270,486	87,021,218	90,552,655	69,871,966
559,310	594,641	688,012	932,903	6,275,779	1,221,175
23,606,809	22,597,860	22,948,092	22,816,700	18,174,647	24,410,001
36,961,573	37,364,970	27,107,793	31,916,490	26,261,083	27,517,183
20,999,111	23,770,907	25,003,650	25,816,996	25,999,423	27,457,019
1,080,871,234	1,002,732,862	474,920,287	757,602,530	720,648,200	693,425,258
2,048,694	1,809,691	2,694,907	2,144,670	187,554	588,874
8,190,904	8,652,521	9,248,182	6,531,527	2,656,536	5,882,782
6,965,141	5,917,604	6,034,017	6,589,276	5,758,440	5,045,316
156,341,813	180,608,137	175,750,568	174,224,653	202,953,369	256,492,930
10,733,375	11,198,000	11,110,000	11,000,000	11,000,000	11,000,000
184,279,927	208,185,953	204,837,674	200,490,126	222,555,899	279,009,902
(896,591,307)	(794,546,909)	(270,082,613)	(557,112,404)	(498,092,301)	(414,415,356)
117,353,242	123,108,189	113,975,914	151,288,101	144,175,066	140,428,013
-	-	-	-	-	-
5,676,054	5,536,744	5,202,393	5,483,503	5,530,668	5,409,069
62,926,501	65,124,099	82,407,024	80,690,817	84,154,604	80,263,492
353,255,021	316,909,702	287,017,586	311,877,276	292,899,839	279,405,692
11,189,340	701,551	13,158	18,765	-	-
1,421,895	3,148,581	13,528,011	10,449,655	754	176,386
551,822,053	514,528,866	502,144,086	559,808,117	526,760,931	505,682,652
(344,769,254)	(280,018,043)	232,061,473	2,695,713	28,668,630	91,267,296
-	-	-	-	13,979,031.00	-
-	(35,839,375)	-	695,903	-	-
$ (344,769,254)	$ (315,857,418)	$ 232,061,473	$ 3,391,616	$ 28,668,630	$ 91,267,296

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Local sources				
Property taxes	$ 167,390,654	$ 147,181,032	$ 170,554,837	$ 179,102,986
Earnings on investments	219,770	739,024	1,321,599	2,540,323
Other	27,160,400	28,407,323	32,472,040	31,311,889
Revenue from state sources	370,952,385	413,789,822	422,769,202	434,427,393
Revenue from federal sources	68,984,337	63,326,651	58,127,944	62,467,008
Sales and other conversion of assets	-	-	-	-
Total revenues	634,707,546	653,443,852	685,245,622	709,849,599
Expenditures				
Current				
Administration	13,210,075	13,879,619	16,070,932	17,687,848
District support services	20,963,914	22,980,865	28,140,125	18,772,996
Elementary and secondary regular instruction	245,525,210	247,063,307	261,018,680	281,183,312
Vocational education instruction	4,038,638	3,735,366	3,906,467	3,824,712
Special education instruction	108,595,041	112,831,353	115,090,317	120,631,699
Instructional support services	40,622,211	38,055,158	45,674,033	53,888,807
Pupil support services	53,807,517	52,355,745	63,500,540	65,090,663
Sites and buildings	56,741,209	61,317,727	65,382,043	67,537,181
Fiscal and other fixed cost programs	539,461	566,697	567,196	585,971
Food service	18,087,541	18,370,838	18,746,395	21,379,447
Community service	23,783,894	24,149,215	24,374,736	26,096,351
Capital outlay	48,818,034	34,128,727	84,314,918	113,558,642
Debt service				
Principal	54,330,000	142,325,000	57,345,000	65,651,000
Interest and fiscal charges	16,871,133	16,199,472	15,712,382	22,474,693
Total expenditures	705,933,878	787,959,089	799,843,764	878,363,322
Excess of revenues over (under) expenditures	(71,226,332)	(134,515,237)	(114,598,142)	(168,513,723)
Other financing sources (uses)				
Insurance recovery	-	-	-	-
Proceeds from sale of capital assets	237,557	1,402,360	2,918,377	8,042,914
Bonds issuance	75,870,000	112,985,000	203,980,000	111,335,000
Bond premium	4,255,732	10,073,954	24,689,189	7,562,991
Lease issuance	-	-	-	-
Payment to refunded bond escrow agent	(21,545,000)	-	-	-
Transfers in	26,104,494	-	-	16,000,000
Transfers out	(26,104,494)	-	-	-
Total other financing sources (uses)	58,818,289	124,461,314	231,587,566	142,940,905
Net change in fund balances	$ (12,408,043)	$ (10,053,923)	$ 116,989,424	$ (25,572,818)
Change in accounting principle	$ -	$ -	$ -	$ -
Debt service as a percentage of noncapital expenditures	10.8%	21.0%	10.2%	11.5%

Note 1: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing these standards that increased unrestricted net position by approximately $696 thousand.

PRELIMINARY

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 186,848,106	$ 193,482,261	$ 201,623,012	$ 237,688,936	$ 233,710,937	$ 226,948,273
1,454,684	2,681,596	11,546,213	9,346,761	(9,950)	(2,090,001)
28,387,597	25,794,522	23,747,220	20,983,762	16,415,426	16,975,798
427,523,543	434,379,126	433,327,525	426,392,228	413,948,831	396,699,931
66,351,478	65,693,449	64,556,526	62,670,352	83,704,821	146,899,330
-	-	2,694,907	2,144,670	187,560	804,780
710,565,408	722,030,954	737,495,403	759,226,709	747,957,625	786,238,111
17,384,736	15,547,683	14,078,320	15,207,556	16,049,086	16,954,667
19,613,778	27,059,474	28,409,955	20,382,355	26,601,884	30,826,898
279,209,325	277,152,841	258,489,689	273,196,985	259,680,752	274,310,418
4,018,952	4,166,786	4,480,099	4,620,367	4,797,462	5,476,323
118,988,717	116,754,950	114,880,487	114,972,663	120,905,966	117,840,105
61,076,185	48,331,889	43,030,096	43,973,545	43,590,389	44,617,199
66,342,086	63,842,797	68,351,249	69,626,854	64,371,133	83,826,106
70,831,796	70,541,979	91,101,190	65,137,597	78,814,675	73,838,180
559,310	594,641	688,012	932,903	6,275,779	1,221,175
21,955,089	21,226,849	22,521,883	22,866,971	19,090,261	25,151,830
28,470,422	29,788,981	32,739,857	31,181,411	27,154,272	29,657,088
32,964,683	82,671,403	60,346,611	60,391,425	35,404,410	63722408
54,410,000	51,925,000	57,190,000	58,285,000	59,770,000	69,864,767
24,365,539	28,224,134	31,055,389	32,919,855	33,761,265	35,423,870
800,190,618	837,829,407	827,362,837	813,695,487	796,267,334	872,731,034
(89,625,210)	(115,798,453)	(89,867,434)	(54,468,778)	(48,309,709)	(86,492,923)
-	-	-	-	-	56,162
14,250	1,566	9,765	18,765	-	-
115,840,000	119,025,000	91,670,000	84,220,000	98,980,000	115,280,000
18,670,496	17,676,619	11,814,468	14,931,237	20,389,236	27,638,692
-	-	-	-	-	24,202,006
-	-	-	(6,095,000)	(29,955,000)	(59,085,000)
3,300,000	-	-	3,197,268	-	470,867
(3,300,000)	-	-	(3,197,268)	-	(470,867)
134,524,746	136,703,185	103,494,233	93,075,002	89,414,236	108,091,860
$ 44,899,536	$ 20,904,732	$ 13,626,799	$ 38,606,224	$ 41,104,527	$ 21,598,937
$ -	$ -	$ -	$ 695,903	$ -	$ -
10.3%	10.6%	11.5%	12.1%	12.3%	13.0%

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	$ 752,912	$ 896,518	$ 872,933	$ 853,532
Restricted	4,153,637	2,255,536	248,930	293,573
Assigned	35,221,882	39,192,676	29,387,954	25,350,565
Unassigned	50,002,716	44,913,892	49,436,409	54,219,695
Total General Fund	90,131,147	87,258,622	79,946,226	80,717,365
All other governmental funds				
Nonspendable	1,144,793	764,274	780,490	484,372
Restricted				
Special revenue funds	3,967,330	3,777,145	6,278,029	9,064,174
Building construction	38,744,890	51,956,431	166,323,664	141,287,222
Debt service funds	44,633,373	24,811,138	32,228,625	28,431,083
Unassigned	-	-	-	-
Total all other governmental funds	$ 178,621,533	$ 168,567,610	$ 285,557,034	$ 259,984,216

PRELIMINARY

Fiscal Year						
2017	2018	2019	2020	2021	2022
$ 128,675	$ 90,987	$ 1,227,627	$ 1,269,376	$ 1,414,679	$ 5,294,596
3,319,894	1,107,421	2,660,707	9,593,882	$12,214,531	17698879
21,455,251	29,671,886	32,138,104	43,737,399	57,295,506	68,347,003
41,392,543	31,645,115	38,832,518	52,573,025	55,149,041	53,613,747
66,296,363	62,515,409	74,858,956	107,173,682	126,073,757	144,954,225
872,545	835,232	856,369	2,532,517	1,732,388	2,187,502
10,704,840	11,266,229	9,662,107	6,881,059	8,768,701	5,051,671
201,062,678	225,872,041	219,626,151	219,959,276	238,481,069	249,030,441
25,947,326	25,299,573	34,411,700	42,170,876	44,766,022	40,197,035
-	-	-	-	-	-
$ 304,883,752	$ 325,788,484	$ 339,415,283	$ 378,717,410	$ 419,821,937	$ 441,420,874

PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Property Tax Revenue	State Revenue	Federal Revenue	Other Local and Miscellaneous	Total
2013	$ 104,543,376	$ 349,343,385	$ 50,540,918	$ 16,507,879	$ 520,935,558
	20.1%	67.1%	9.7%	3.2%	100.0%
2014	77,700,562	390,144,189	44,219,081	17,304,137	529,367,969
	14.7%	73.7%	8.4%	3.3%	100.0%
2015	106,397,151	399,944,459	38,310,414	20,084,230	564,736,254
	18.8%	70.8%	6.8%	3.6%	100.0%
2016	116,602,944	410,256,617	40,075,526	18,292,458	585,227,545
	19.9%	70.1%	6.8%	3.1%	100.0%
2017	117,942,218	402,839,217	43,016,218	17,971,173	581,768,826
	20.3%	69.2%	7.4%	3.1%	100.0%
2018	122,930,971	408,375,976	42,823,711	15,705,490	589,836,148
	20.8%	69.2%	7.3%	2.7%	100.0%
2019	114,084,818	406,906,740	42,269,350	17,035,980	580,296,888
	19.7%	70.1%	7.3%	2.9%	100.0%
2020	151,392,761	400,306,331	39,941,226	16,203,960	607,844,278
	24.9%	65.9%	6.6%	2.7%	100.0%
2021	144,092,501	387,675,107	58,628,646	13,337,269	603,733,523
	23.9%	64.2%	9.7%	2.2%	100.0%
2022	140,964,153	371,678,222	120,482,318	10,084,573	643,209,266
	21.9%	57.8%	18.7%	1.6%	100.0%

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
General Fund Expenditures by Program
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services
2013	$ 13,210,075	$ 20,963,914	$ 245,525,210	$ 4,038,638	$ 108,595,041	$ 40,622,211
	2.5%	3.9%	45.7%	0.8%	20.2%	7.6%
2014	13,879,619	22,980,865	247,063,307	3,735,366	112,831,353	38,055,158
	2.6%	4.3%	46.0%	0.7%	21.0%	7.1%
2015	16,070,932	28,140,125	261,018,680	3,906,467	115,090,317	45,674,033
	2.8%	4.9%	45.3%	0.7%	20.0%	7.9%
2016	17,687,848	18,772,996	281,183,312	3,824,712	120,631,699	53,888,807
	2.9%	3.1%	46.4%	0.6%	19.9%	8.9%
2017	17,384,736	19,613,778	279,209,325	4,018,952	118,988,717	61,076,185
	2.9%	3.2%	46.1%	0.7%	19.6%	10.1%
2018	15,547,683	27,059,474	277,152,841	4,166,786	116,754,950	48,331,889
	2.6%	4.6%	46.7%	0.7%	19.7%	8.1%
2019	14,078,320	28,409,955	258,489,689	4,480,099	114,880,487	43,030,096
	2.5%	5.0%	45.5%	0.8%	20.2%	7.6%
2020	15,207,556	20,382,355	273,196,985	4,620,367	114,972,663	43,973,545
	2.6%	3.5%	47.3%	0.8%	19.9%	7.6%
2021	16,049,086	26,601,884	259,680,752	4,797,462	120,905,966	43,590,389
	2.7%	4.5%	44.4%	0.8%	20.7%	7.5%
2022	16,954,667	30,826,898	274,310,418	5,476,323	117,840,105	44,617,199
	2.6%	4.8%	42.3%	0.8%	18.2%	6.9%

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal years 2012 and 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount

PRELIMINARY

Pupil Support Services	Sites and Buildings	Fiscal and Other Fixed Cost Programs	Community Education and Services	Capital Outlay	Debt Service	Total
$ 53,807,517	$ 33,175,600	$ 539,461	$ -	$ 16,866,445	$ -	$ 537,344,112
10.0%	6.2%	0.1%	-	3.1%	-	100.0%
52,355,745	35,180,060	566,697	-	9,152,413	1,055,711	536,856,294
9.8%	6.6%	0.1%	-	1.7%	0.2%	100.0%
63,500,540	34,311,403	567,196	-	7,613,457	-	575,893,150
11.0%	6.0%	0.1%	-	1.3%	-	100.0%
65,090,663	34,369,886	585,971	-	10,348,822	-	606,384,716
10.7%	5.7%	0.1%	-	1.7%	-	100.0%
66,342,086	35,852,999	559,310	58,786	2,824,954	-	605,929,828
10.9%	5.9%	0.1%	0.0%	0.5%	-	100.0%
63,842,797	34,563,786	594,641	-	5,602,255	-	593,617,102
10.8%	5.8%	0.1%	-	0.9%	-	100.0%
68,351,249	33,716,339	688,012	-	1,838,860	-	567,963,106
12.0%	5.9%	0.1%	-	0.3%	-	100.0%
69,626,854	33,229,408	932,903	-	1,201,584	-	577,344,220
12.1%	5.8%	0.2%	-	0.2%	-	100.0%
64,371,133	40,028,331	6,275,779	-	2,532,666	-	584,833,448
11.0%	6.8%	1.1%	-	0.4%	-	100.0%
83,826,106	38,970,766	1,221,175	71,406.00	26,408,839	7,568,950	648,092,852
12.9%	6.0%	0.2%	0.0%	4.1%	1.2%	100.0%

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Summary of Revenues and Expenditures
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
General Fund	$ 520,935,558	$ 529,367,969	$ 564,736,254	$ 585,227,545
Special revenue funds				
Food service	17,209,875	18,215,170	19,607,719	22,486,250
Community service	24,566,271	24,428,568	26,664,323	28,570,581
Building construction	1,755,928	5,618,683	9,450,263	1,802,571
Debt service funds	70,239,914	75,813,462	64,787,063	71,762,652
Total revenues	$ 634,707,546	$ 653,443,852	$ 685,245,622	$ 709,849,599
Expenditures				
General Fund	$ 537,344,112	$ 536,856,294	$ 575,893,150	$ 606,384,716
Special revenue funds				
Food service	19,650,159	18,977,383	19,224,956	22,027,820
Community service	24,117,842	24,237,059	24,540,783	26,563,620
Building construction	53,620,632	50,419,592	107,127,493	135,261,473
Debt service funds	71,201,133	157,468,761	73,057,382	88,125,693
Total expenditures	$ 705,933,878	$ 787,959,089	$ 799,843,764	$ 878,363,322

PRELIMINARY

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 581,768,826	$ 589,836,148	$ 580,296,888	$ 607,844,278	$ 603,733,523	$ 643,209,266
22,589,754	21,897,237	22,062,833	23,694,428	21,349,575	21,168,074
29,825,786	30,506,573	31,853,780	28,471,098	27,022,352	29,701,512
1,115,839	1,249,177	6,211,282	3,611,101	212,058	597,098
75,265,203	78,541,819	97,070,620	95,605,804	95,640,117	91,562,161
$ 710,565,408	$ 722,030,954	$ 737,495,403	$ 759,226,709	$ 747,957,625	$ 786,238,111
$ 605,929,828	$ 593,617,102	$ 567,963,106	$ 577,344,220	$ 584,833,448	$ 648,092,852
22,077,485	21,646,325	22,624,251	22,955,476	19,211,722	25,223,498
28,554,216	30,234,975	32,875,347	31,232,002	27,155,640	29,589,555
65,875,000	113,141,433	115,941,640	91,067,412	71,747,909	73,373,599
77,754,089	79,189,572	87,958,493	91,096,377	93,318,615	96,451,530
$ 800,190,618	$ 837,829,407	$ 827,362,837	$ 813,695,487	$ 796,267,334	$ 872,731,034

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Cash and Investments by Fund
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
General Fund	$ 73,825,568	$ 119,700,798	$ 108,907,760	$ 95,179,498
Special revenue funds				
Food service	-	-	815,272	933,829
Community service	1,507,562	4,328,228	6,630,979	8,976,796
Building construction	47,062,856	61,146,291	196,346,014	161,675,892
Debt service funds	73,900,138	49,334,042	59,749,587	58,600,779
Internal service funds	53,913,242	50,088,316	47,534,292	29,705,483
OPEB Trust Fund	14,920,422	16,734,979	14,637,387	14,946,492
	$ 265,129,788	$ 301,332,654	$ 434,621,291	$ 370,018,769

PRELIMINARY

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 85,619,508	$ 94,582,285	$ 116,595,173	$ 146,432,589	$ 167,707,285	$ 153,196,716
1,939,704	2,081,764	1,869,294	-	2,925,204	-
11,242,777	11,338,299	9,314,974	6,423,422	4,959,083	7,234,505
213,222,358	246,717,038	236,462,242	229,145,567	247,489,262	255,932,860
57,151,753	67,471,802	73,465,944	80,663,292	83,644,344	52,852,567
44,918,470	52,288,028	59,713,246	69,745,932	88,143,884	83,801,385
16,218,696	19,236,786	21,086,531	21,766,550	26,504,022	22,957,606
$ 430,313,266	$ 493,716,002	$ 518,507,404	$ 554,177,352	$ 621,373,084	$ 575,975,639

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Governmental Funds Tax Revenues by Source and Levy Type
Last Ten Fiscal Years

Year Ended June 30,	Property Tax				
	General Fund	Community Service Special Revenue Fund	Capital Projects - Building Construction	Debt Service Funds	Total
2013	$ 104,543,376	$ 4,786,743	$ 1,361,633	$ 56,698,902	$ 167,390,654
2014	77,700,562	2,419,221	4,971,017	62,090,232	147,181,032
2015	106,397,151	4,982,620	8,327,570	50,847,496	170,554,837
2016	116,602,944	5,150,988	82,169	57,266,885	179,102,986
2017	117,942,218	5,699,513	-	63,206,375	186,848,106
2018	122,930,971	5,529,590	-	65,021,700	193,482,261
2019	114,084,818	5,206,428	-	82,331,766	201,623,012
2020	151,392,761	5,492,440	-	80,803,735	237,688,936
2021	144,092,501	5,528,142	-	84,090,294	233,710,937
2022	140,964,153	5,432,626	-	80,551,494	226,948,273

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Total Taxable Net Tax Capacity	Estimated Market Value	Percentage Tax Capacity to Market Value
2013	$ 373,715,553	$ 32,349,723,380	1.16 %
2014	374,174,247	33,018,471,980	1.13
2015	410,514,191	36,295,801,700	1.13
2016	454,641,259	40,007,351,470	1.14
2017	493,479,516	43,733,641,575	1.13
2018	533,535,674	47,585,887,950	1.12
2019	586,430,142	52,302,500,275	1.12
2020	616,220,416	55,860,372,081	1.10
2021	697,099,022	58,812,067,511	1.19
2022	704,727,774	60,047,658,199	1.17

Note: Per the Hennepin County Taxpayer Services Division, reliable information for the breakdown of assessed and actual residential, commercial, and industrial property values is not available. actual value of property.

Source: Hennepin County Taxpayer Services Division & MDE Levy Limitiation and Certification Report.

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
School Tax Levies, and Tax Rates
Last Ten Fiscal Years

	Year Collectible	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total All Funds
Levies					
	2013	$ 105,101,981	$ 4,754,650	$ 62,499,927	$ 172,356,558
	2014	115,585,635	4,958,085	51,348,833	171,892,553
	2015	115,954,257	5,160,736	57,481,369	178,596,362
	2016	117,008,161	5,503,645	63,228,410	185,740,216
	2017	119,784,624	5,330,747	65,796,848	190,912,220
	2018	114,064,112	5,241,275	83,098,180	202,403,566
	2019	149,699,526	5,541,672	81,436,314	236,677,511
	2020	142,851,932	5,568,034	84,751,020	233,170,987
	2021	137,639,976	5,453,410	80,948,599	224,041,985
	2022	144,015,606	5,541,222	91,134,710	240,691,538
Tax rates					
	2013	0.09216	0.01269	0.23426	0.33911
	2014	0.10699	0.01314	0.13604	0.25617
	2015	0.00319	0.08069	0.13782	0.22170
	2016	0.06278	0.01193	0.13702	0.21173
	2017	0.06197	0.01067	0.13160	0.20424
	2018	0.05877	0.00976	0.22312	0.29165
	2019	0.05328	0.00947	0.15956	0.22231
	2020	0.06900	0.00876	0.13326	0.21102
	2021	0.06576	0.00765	0.11351	0.18692
	2022	0.06645	0.00766	0.12706	0.20117

Note: Tax rates are expressed in terms of "net tax capacity." A property's tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and change periodically based on state legislation.

Source: State of Minnesota School Tax Report

PRELIMINARY

Minneapolis Public Schools
Special School District No. a
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

For Taxes Collectible	ISD No. 001		Overlapping Rates				Total Rates
	Tax Capacity Based Rates	Market Value Based Rates	City of Minneapolis	Hennepin County	Watershed Districts	Other Special Taxing Districts	Minneapolis Resident
2013	3.47 %	0.02 %	10.34 %	6.24 %	0.23 %	0.70 %	21.00
2014	3.29	0.01	9.55	6.33	0.23	0.73	20.14
2015	2.85	0.02	8.82	5.92	0.22	0.71	18.54
2016	2.72	0.02	8.29	5.78	0.22	0.67	17.70
2017	2.63	0.02	8.11	5.64	0.22	0.68	17.30
2018	2.88	0.01	7.94	5.49	0.22	0.68	17.22
2019	2.87	0.02	7.63	5.37	0.20	0.64	16.73
2020	2.72	0.01	7.59	5.25	0.19	0.61	16.37
2021	2.41	0.01	7.51	4.89	0.18	0.58	15.58
2022	2.65	0.01	7.44	4.96	0.18	0.58	15.82

Note 1: Based upon weighted class rate among property types (e.g. commercial/industrial, residential).

Source: Hennipen County & City of Minneapolis Finance and Property Services Department

PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Principal Property Taxpayers
Current Year and Nine Years Ago

	2022				2013		
Taxpayer	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity	Taxpayer	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity
BRI 1855 IDS Center, LLC	$ 5,804,450	1	0.82 %	Northern States Power Co	$ 3,312,350	1	0.89 %
WFM Office Owner LLC	5,319,250	2	0.75	Target Corporation	2,408,874	2	0.64
SRI Eleven MPLS 225 LLC	5,090,650	3	0.72	MB Mpls 8th Street LLC	1,978,919	3	0.53
City Center 33 S. Prop LLC	4,828,650	4	0.69	Minneapolis 225 Holdings LLC	1,892,276	4	0.51
Wells REIT-800 Nicollett	4,157,250	5	0.59	NWC Limited Partnership	1,836,825	5	0.49
US Bank Corp RE Tax Dept	4,006,250	6	0.57	City Center Associates	1,627,727	6	0.44
South Sixth Office LLC	3,199,250	7	0.45	First Minneapolis-Hines Co.	1,507,583	7	0.40
BAM 701 LLC	3,164,850	8	0.45	Wells Operating Partnership LP	1,521,445	8	0.41
Target Corporation	2,853,800	9	0.40	Hilton Hotels Corporation	1,322,745	9	0.35
KBS Capital Advisors LLC	2,295,870	10	0.33	Hines Global REIT 50 So. Sixth St. LLC	1,245,344	10	0.33
	$ 40,720,270		5.78 %		$ 18,654,088		4.99 %

Source: Hennipen County

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Taxes Levied for the Fiscal Year			Collections First Year Levy Recognized	
	Operating Tax Levy	Debt Tax Levy	Total	Amount	Percentage of Levy
2013	$ 116,599,465	$ 62,499,927	$ 179,099,392	$ 178,688,702	99.8 %
2014	120,543,720	51,348,833	171,892,553	171,427,681	99.7
2015	130,512,563	57,737,682	188,250,245	187,796,176	99.8
2016	128,145,740	63,228,410	191,374,150	190,942,335	99.8
2017	125,115,372	65,796,848	190,912,220	190,834,102	100.0
2018	114,064,112	88,339,455	202,403,566	201,951,261	99.8
2019	155,241,197	81,436,314	236,677,511	236,446,886	99.9
2020	148,419,966	84,751,020	233,170,987	232,699,888	99.8
2021	143,093,386	80,948,599	224,041,985	222,810,001	99.5
2022	149,556,828	91,134,710	240,691,538	123,220,106	51.2

Note 1: A portion of the total spread levy is paid through various property tax credits, which are paid through state aids and have been included in collections. Legislative changes, beginning with taxes collectible in 2012, significantly reduced or eliminated the amount of tax credits paid through state aids.

Note 2: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write-off of delinquent taxes receivable.

Source: State of Minnesota School Tax Report

PRELIMINARY

Collections			Uncollected Taxes Receivable as of June 30, 2022			
Received in Subsequent Years	Total to Date		Delinquent (2)		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 410,690	$ 179,099,392	100.0 %	$ -	- %	$ -	- %
464,871	171,892,553	100.0	-	-	-	-
454,069	188,250,245	100.0	-	-	-	-
431,815	191,374,150	100.0	-	-	-	-
78,118	189,367,854	99.2	22,105	0.01	-	-
452,306	201,000,177	99.3	415,874	0.21	-	-
230,625	234,875,121	99.2	167,414	0.07	-	-
471,098	229,562,672	98.5	379,164	0.16	-	-
1,231,984	220,847,757	98.6	459,412	0.21	-	-
-	123,220,106	51.2	-	-	117,471,432	48.8
			$ 1,443,969		$ 117,471,432	

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Ratio of Net Debt to Net Tax Capacity and Market Value and Net Debt per Capita
Last Ten Fiscal Years

For Taxes Collectible	Outstanding Bonded Debt	Premium (Discount) on Debt	Balance on Hand Value	Net Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity Value
2013	$ 413,401,000	$ 12,117,744	$ 44,633,373	$ 217,492,627	$ 373,715,553	58.20 %
2014	384,061,000	17,590,226	24,811,138	231,059,862	374,174,247	61.75
2015	530,696,000	38,291,366	32,228,625	262,202,375	410,514,191	63.87
2016	576,380,000	41,126,988	28,431,083	288,578,917	454,641,259	63.47
2017	637,810,000	54,506,071	25,947,326	356,637,674	493,479,516	72.27
2018	704,910,000	65,997,346	25,243,815	409,776,185	533,535,674	76.80
2019	739,390,000	70,897,597	34,243,907	461,261,093	586,430,142	78.66
2020	759,230,000	78,155,890	41,893,322	488,361,678	616,220,416	79.25
2021	768,485,000	90,870,567	42,097,027	520,297,973	697,099,022	74.64
2022	762,110,000	106,429,765	40,197,035	533,457,965	704,727,774	75.70

Note 1: Balance on hand values are restricted for the repayment of debt principal based on *Minnesota Statutes* .
Note 2: Personal income data for Fiscal year 22 is not available
Source: State of Minnesota School Tax Report and Metropolitan Council

PRELIMINARY

Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Debt per Capita	Outstanding Bonded Debt per Capita	Percent of Net Debt to Personal Income	Percent of Outstanding Bonded Debt to Personal Income
$ 32,347,021,055	0.67 %	392,008	$ 555	$ 1,055	1.85 %	3.52 %
33,015,759,880	0.70	400,938	576	958	1.76	2.92
36,315,795,900	0.72	411,273	638	1,290	2.01	4.06
40,007,351,245	0.72	412,517	700	1,397	2.01	4.02
43,733,641,325	0.82	413,645	862	1,542	2.50	4.47
47,585,914,925	0.86	422,326	970	1,669	2.54	4.38
52,302,563,024	0.88	425,403	1,084	1,738	2.92	4.69
55,860,439,386	0.87	435,885	1,120	1,742	2.89	4.49
58,812,143,363	0.88	429,954	1,210	1,787	3.11	4.60
60,047,658,199	0.89	435,105	1,226	1,752	N/A	N/A

PRELIMINARY

Minneapolic Public Schools
Special School District No. 1
Ratio of Annual Debt Expenditures to General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest and Other Charges	Total Debt Service Expenditures	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
2013	$ 54,330,000	$ 16,871,133	$ 71,201,133	$ 537,344,112	13.25 %
2014	142,325,000	16,199,472	158,524,472	536,856,294	29.53
2015	57,345,000	15,712,382	73,057,382	575,893,150	12.69
2016	65,651,000	22,474,693	88,125,693	606,384,716	14.53
2017	54,410,000	24,365,539	78,775,539	605,929,828	13.00
2018	51,925,000	28,224,134	80,149,134	593,617,102	13.50
2019	57,190,000	31,055,389	88,245,389	567,963,106	15.54
2020	58,285,000	32,919,855	91,204,855	577,344,220	15.80
2021	59,770,000	33,761,265	93,531,265	584,833,448	15.99
2022	69,864,767	35,423,870	105,288,637	648,092,852	16.25

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Direct and Overlapping Debt
as of June 30, 2022

Governmental Unit	General Obligation Debt	2022 Tax Capacity Value	Percent of Debt Applicable	Amount of Debt Applicable
Overlapping debt				
City of Minneapolis	$ 342,015,000	$ 704,727,774	100.00 %	$ 342,015,000
Hennepin County	1,088,110,000	2,336,109,435	30.17	328,282,787
Hennepin County (HCRRA)	90,580,000	1,631,381,661	30.17	27,327,986
Metropolitan Council	218,520,000	2,334,482,380	13.41	29,303,532
Total overlapping debt	1,739,225,000	7,006,701,250		726,929,305
Direct debt				
ISD No. 001	573,655,000	704,727,774	100.00	573,655,000
Total direct and overlapping debt	$ 4,052,105,000	$ 14,718,130,274		$ 2,027,513,610

Source 1: General obligation debt and amount applicable debt data - The Official Statement associated with the District's 2022A, 2021B, and 2021C (prepared by PFM)
Source 2: Tax capacity data from other entities were provided Hennipen County
Source 3: Internal data reports were used for the District's data

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	$ 4,852,053,158	$ 4,952,363,982	$ 5,447,369,385	$ 6,001,102,687
Total net debt applicable to the limit	217,492,627	231,059,862	262,202,375	288,578,917
Legal debt margin	$ 4,634,560,531	$ 4,721,304,120	$ 5,185,167,010	$ 5,712,523,770
Total net debt applicable to the limit as a percentage of debt limit	4.48%	4.67%	4.81%	4.81%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying

Souce: State of Minnesota School Tax Report

PRELIMINARY

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 6,560,046,199	$ 7,137,887,239	$ 7,845,384,454	$ 8,379,065,908	$ 8,821,821,504	$ 9,007,148,730
356,637,674	409,776,185	461,261,093	488,361,678	520,297,973	$533,457,965
$ 6,203,408,525	$ 6,728,111,054	$ 7,384,123,361	$ 7,890,704,230	$ 8,301,523,531	$ 8,473,690,765
5.44%	5.74%	5.88%	5.83%	5.90%	5.92%

Legal Debt Margin Calculation for Fiscal Year 2022	
Market value	$ 60,047,658,199
Debt limit (15% of market value)	$ 9,007,148,730
Debt applicable to limit	
General obligation bonds	573,655,000
Less amount set aside for repayment of general obligation debt	(40,197,035)
Total net debt applicable to the limit	$ 533,457,965
Legal debt margin	$ -

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	Households (2)
2013	392,008	$ 11,735,151,488	$ 29,936	31.4	166,513
2014	400,938	13,147,157,958	32,791	32.1	170,195
2015	411,273	13,063,675,572	31,764	31.8	175,119
2016	412,517	14,340,328,471	34,763	32.4	176,878
2017	413,645	14,281,920,915	34,527	32.0	179,807
2018	422,326	16,103,712,706	38,131	32.4	176,807
2019	425,403	15,770,114,613	37,071	32.1	173,916
2020	435,885	16,915,825,080	38,808	32.2	176,974
2021	429,954	16,717,041,474	38,881	32.3	178,886
2022	435,105	N/A	N/A	N/A	N/A

Data sources:

Note 1: Information was provided as of December 31st (six month lag on reporting of data)

Note 2: Population provided by Metropolitan Council (calander year)

Note 3: Per Capita Income - U.S. Census Bureau - American Community Survey Table DP03 - 1 Year Estimate (calander year)

Note 4: Median Age - U.S. Census Bureau - American Community Survey Table DP05 - 1 Year Estimate (calander year)

Note 5: Personal Income = Population x Per Capita Income (calander year)

Note 6: Jobs data from MN DEED/QCEW tables; (calander year)

Note 7: Annual Average Unemployment Rate - from MN DEED/LAUS tables (calander year)

Note 8: Median Household Income - U.S. Census Bureau - American Community Survey - 1 Year Estimate (calander year)

Note 9: School enrollement provided by Minnesota Department of Education (June fiscal year-end)

PRELIMINARY

Jobs (5)	Median Household Income (2)	School Enrollment (8)	Annual Average Unemployment Rate (2)
297,012	$ 47,604	34,309	5.3 %
303,135	50,563	35,226	4.6
308,714	50,791	35,386	3.8
317,475	54,571	35,449	3.4
324,620	56,255	35,380	3.4
327,355	60,789	35,020	3.2
332,175	58,993	34,088	2.5
339,242	62,583	33,202	2.6
309,636	66,068	31,393	4.8
314,809	N/A	29,077	2.5

PRELIMINARY

(THIS PAGE LEFT BLANK INTENTIONALLY)

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Principal Employers
Current Year and Nine Years Ago

	2022			2013		
Employer	Approximate Number of Employees	Rank	Percentage of Total District Employment	Employer	Approximate Number of Employees	Rank	Percentage of Total District Employment
University of Minnesota	17,691	1	5.6 %	University of Minnesota	17,100	1	8.5 %
Allina Health	10,856	2	3.4	Target Corporation	12,200	2	6.1
Target Corporation	8,500	3	2.7	Wells Fargo Bank	7,000	3	3.5
Hennepin Healthcare	7,111	4	2.3	Fairview Health Services	6,700	4	3.3
Wells Fargo Bank	7,000	5	2.2	Minneapolis Public Schools	6,119	5	3.0
Minneapolis Public Schools	6,202	6	0.0	Hennepin Healthcare	5,800	6	2.9
Hennepin County	5,995	7	1.9	Ameriprise Financial Services	5,600	7	2.8
US Bancorp	4,968	8	1.6	Hennepin County	5,200	8	2.6
Ameriprise Financial Services	4,842	9	1.5	Children's Hospital	3,000	9	1.5
Xcel Energy	2,252	10	0.7	Honeywell Aerospace	2,200	10	1.1
	75,417		21.90 %		70,919		35.28 %

N/A – Not Available
Note 1: Information regarding employer/employee rank has been based on calander year (6-month lag on reporting data)
Source: State Department of Commerce and The City of Minneapolis

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Employees by Classification
Last Ten Fiscal Years

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
ABE Teachers	46.3	44.7	56.6	54.2	54.2	56.8
AFSCME	305.5	295.9	314.3	336.1	323.3	317.9
AMP	4.0	23.0	119.7	112.3	118.6	121.6
Board Members	-	0.8	9.0	9.0	9.0	9.0
CLT (until 2014)	35.8	27.1	-	-	-	-
ELT (until 2014)	86.7	99.0	-	-	-	-
Employment Contracts	57.3	50.6	44.7	39.6	35.9	27.4
ESP	1,305.8	1,228.3	1,333.1	1,431.2	1,510.1	1,438.5
Food Service	127.0	146.6	141.3	170.7	192.3	199.8
Grounds/Stockworkers	10.0	19.0	20.0	19.0	20.0	20.0
Intermittent/Clerica	0.1	0.1	11.0	11.0	11.0	10.0
Janitor/Eng/Bus/Ice	365.2	265.2	280.2	291.6	263.0	274.0
MAAC (until 2014)	96.0	86.3	-	-	-	-
MAAS	-	-	131.8	140.3	123.2	126.1
MACA	85.0	115.5	126.5	117.5	117.6	124.0
Machinists	1.0	1.0	1.0	1.0	1.0	1.0
MPSASP (until 2014)	73.9	81.9	-	-	-	-
Non-Represented	-	-	66.0	42.0	43.0	39.0
Principals	106.0	102.0	121.0	124.0	130.0	128.0
SSS (until 2015)	11.8	11.8	10.8	2.0	-	-
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0
Teachers	3,106.6	3,128.6	3,403.3	3,571.9	3,593.4	3,472.0
Trade-Bricklayer	1.0	1.0	1.0	1.0	1.0	1.0
Trade-Carpenter	10.0	9.0	9.0	10.0	10.0	10.0
Trade - Cement Mason	1.0	-	-	-	-	-
Trade-Electrician	12.0	9.0	10.0	10.0	13.0	12.0
Trade-Electronics	4.0	5.0	5.0	6.0	7.0	8.0
Trade-Glazier	3.0	3.0	3.0	3.0	3.0	3.0
Trade - Ironworker	1.0	-	-	-	-	-
Trade-Painter	17.0	16.0	16.0	16.0	16.0	16.0
Trade-Pipefitter	22.0	22.0	22.0	23.0	24.0	24.0
Trade-Plasterer	1.0	1.0	1.0	1.0	1.0	1.0
Trade-Plaster Tender	1.0	1.0	1.0	1.0	1.0	1.0
Trade-Plumber	8.0	9.0	9.0	9.0	10.0	10.0
Trade-Roofer	4.0	5.0	5.0	5.0	5.0	5.0
Trade-Sheet Metal	14.0	14.0	15.0	15.0	16.0	16.0
Trade-Sprinkler Fit	2.0	2.0	3.0	2.3	2.3	2.3
Transportation	193.1	202.0	195.0	191.0	182.0	179.0
	6,119.1	6,027.4	6,486.3	6,767.7	6,837.9	6,654.4

Source: Internal records of Minneapolis Public Schools

PRELIMINARY

Fiscal Year			
2019	2020	2021	2022
56.6	52.3	36.2	34.8
298.5	310.8	294.5	287.4
146.5	200.9	199.9	222.0
9.0	9.0	9.0	9.0
-	-	-	-
-	-	-	-
6.3	6.8	3.7	3.6
1,367.0	1,367.4	1,276.6	1,222.5
210.8	233.2	237.6	240.5
20.0	21.0	20.0	20.0
10.0	10.0		
270.0	278.0	256.0	285.5
-	-		
113.0	117.8	113.4	109.9
115.0	127.0	125.0	125.0
1.0	1.0	1.0	1.0
-	-		
40.0	33.0	31.0	32.0
122.0	121.0	117.0	118.0
-	-		
1.0	1.0	1.0	1.0
3,306.4	3,361.1	3,215.2	3,228.4
1.0	1.0	1.0	1.0
9.0	9.0	12.0	12.0
-	-	-	-
12.0	6.0	5.0	2.5
8.0	8.0	8.0	8.0
2.0	2.0	2.0	2.0
-	-	-	-
11.0	11.0	11.0	11.0
24.0	24.0	24.0	24.0
1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0
9.0	9.0	9.0	9.0
5.0	5.0	5.0	5.0
16.0	16.0	16.0	18.0
2.3	2.3	2.5	2.5
188.0	169.9	164.6	164.6
6,382.4	6,516.5	6,199.2	6,202.2

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Student Enrollment
as of June 30, 2022

Year Ended June 30,	Average Daily Membership (ADM)					Total Pupil Units
	Handicapped and Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2013	799.24	3,083.18	17,249.23	13,177.46	34,309.11	38,731.12
2014	781.23	3,044.21	17,913.09	13,487.42	35,225.95	39,818.34
2015	791.33	2,890.75	17,964.39	13,739.74	35,386.21	38,134.14
2016	765.59	2,821.67	17,865.38	13,996.06	35,448.70	38,247.91
2017	554.92	2,961.59	17,349.56	14,513.50	35,379.57	38,282.27
2018	625.60	2,933.68	16,800.37	14,660.08	35,019.73	37,951.60
2019	610.58	2,898.31	16,105.80	14,473.40	34,088.09	36,982.64
2020	605.53	2,934.53	15,598.05	14,064.16	33,202.27	36,015.12
2021	590.60	2,419.57	14,656.99	13,726.15	31,393.31	34,138.56
2022	469.04	2,510.56	13,174.49	12,922.83	29,076.92	31,661.46

Source: Minnesota Department of Education student reporting system

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Operating Statistics
as of June 30, 2022

Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2013	34,309.11	$ 585,914,711	$ 17,078	3.1 %	3,107	11.04	65.9 %
2014	35,225.95	595,305,890	16,900	-1.0	3,129	11.26	65.1
2015	35,386.21	642,471,464	18,156	7.4	3,403	10.40	64.2
2016	35,448.70	676,678,987	19,089	5.1	3,572	9.92	63.0
2017	35,379.57	688,450,396	19,459	1.9	3,593	9.85	61.9
2018	35,019.73	675,008,870	19,275	-0.9	3,472	10.09	60.1
2019	34,088.09	678,770,837	19,912	3.3	3,306	10.31	59.3
2020	33,202.27	662,099,207	19,941	0.1	3,361	9.88	57.5
2021	31,393.31	667,331,659	21,257	6.6	3,215	9.76	55.3
2022	29,076.92	703,719,989	24,202	13.9	3,228	9.01	49.9

Note: Operating expenditures are total expenditures less debt service and capital outlays
Source: Nonfinancial information from district records

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Building Information
as of June 30, 2022

Facility	Constructed	Square Feet	Capacity	2021 - 2022 Enrollment
Elementary Schools				
Armatage	1952	99,647	607	327
Bancroft	1912	106,241	579	343
Barton Community	1915	83,752	686	493
Bethune Arts	1968	75,615	546	286
Bryn Mawr Community	1908	102,658	647	344
Burroughs Community	1926/2003	100,367	662	479
Cityview	1999	121,588	710	180
Dowling	1924	88,608	512	263
Emerson Spanish Dual Immersion	1926	57,061	410	503
Field Community	1921	81,171	476	303
Folwell	1931	140,629	893	374
Green Central Dual Language	1977	117,773	590	554
Hale Community	1930	81,807	569	314
Hall STEM Academy	1960	81,030	514	208
Hiawatha (Hiawatha Community	1916	40,888	322	234
Hmong International Academy (Jordan Park)	1999	123,293	771	247
Howe (Hiawatha Community)	1927	36,161	284	225
Jenny Lind Elementary	1995	96,693	563	254
Kenny Community	1954	60,104	437	328
Kenwood Community	1908	65,699	456	367
Lake Harriet Community Lower	1924	63,646	511	335
Lake Harriet Community Upper	1915	59,896	615	320
Lake Nokomis Community Keewaydin Campus	1928	86,050	556	371
Lake Nokomis Community Wenonah Campus	1952	44,827	303	183
Las Estrellas/ Sheridan Dual Language	1967/1932	148,005	739	284
Loring Community	1928	59,896	398	301
Lucy Craft Laney at Cleveland Park	2000	109,026	710	343
Lyndale Elementary	1968	97,506	664	342
Marcy Arts Elementary	1992	78,957	706	517
Nellie Stone Johnson Community	2001	125,150	756	198
Northrop/ Ericsson	1916	64,421	-	370
Pillsbury Community	1907/1991	87,705	579	385
Pratt Community	1898	42,437	290	204
Seward Montessori	1887/1966	126,726	934	639
Tuttle (vacant)	1910	63,305	-	-
Waite Park Community	1950	60,073	512	275
Webster	1974	73,414	411	240
Whittier	1882/1997	142,460	681	366
Willard (vacant)	1910	53,635	-	-
Windom	1920	73,618	474	379

PRELIMINARY

Minneapolis Public Schools
Special School District No. 1
Building Information
as of June 30, 2022

Facility	Constructed	Square Feet	Capacity	2021 - 2022 Enrollment
Middle Schools				
Andersen United	1975	232,557	1,532	887
Anthony	1957	139,590	810	834
Anwatin	1959	146,771	807	360
Jefferson Global Studies & Humanities (PK - 8th)	1923	156,450	844	670
Franklin STEAM	1970	125,794	617	289
Justice Page	1931	156,856	1,135	1,028
Lincoln (vacant)	1922	155,831	-	-
Northeast Middle	1956	173,080	878	547
Olson, Floyd B.	1962	114,959	605	446
River Bend Educational Center (K - 8th) W Harry Davis	1995	93,483	533	79
Sanford	1926	150,680	960	787
Sullivan STEAM (K-8)	1949	214,421	1,279	595
Anishinabe (K-5)	-	-	-	195
High Schools				
Edison	1922	257,922	1,318	888
FAIR School Downtown	1998	86,150	600	286
Wellstone International (program) moving to MCTC FY23				129
Harrison Education Center	1998	54,793	246	29
Henry	1926	241,971	1,335	810
Longfellow Alternative and TPS	1918	42,733	417	49
North Community	1972	287,113	1,678	407
Roosevelt	1922	324,718	1,743	850
South	1970	283,094	2,072	1,488
Southwest	1940	295,832	2,092	1,629
Stadium View	-	-	-	24
Washburn	1925	256,430	1,552	1,525
Other				
Adult Basic Education (ABE) South Campus (2015 E Lake St)	2018	134,340	-	73
Transition Plus (ages 18-21)	-	-	-	213
Adult Basic Education (ABE) North Campus (800 W Broadway)	2017	22,009	-	-
MPS K-12 Online School	-	-	-	539
Northstar (Admin)	1975	144,197	-	-
Mona Moede Early Learning Center				
Wilder	1967	205,536	1,622	-
Early Childhood Special Education (program)	-	-	-	222
Heritage Academy (program)	-	-	418	104
Administrative				
Davis Center	2012	173,768	-	-
Maintenance and Operations Building	1995	89,729	-	-
Nutrition Center	1975	73,143	-	-
Victory Memorial Ice Arena (vacant)	1974	27,725	-	-

*Information related to private alternatives are not displayed above

Source: Nonfinancial information from district records

PRELIMINARY

Minneapolis Public Schools
Special District No. 1

Reports on *Government Auditing Standards*, Uniform Guidance, and Legal Compliance

June 30, 2022

Minneapolis Public Schools
Special District No. 1
Table of Contents

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	3
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*	4
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	6
Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance	9
Minnesota Legal Compliance	13

Minneapolis Public Schools
Special District No. 1
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Listing Number	Expenditures
U.S. Department of Agriculture		
Through Minnesota Department of Education		
Child Nutrition Cluster		
School Breakfast Program	10.553	$ 3,489,043
National School Lunch Program	10.555	10,951,691
Commodities Programs - Cash	10.555	5,337
Commodities Programs - Non Cash	10.555	1,465,303
Fresh Fruits and Vegetables Program	10.582	673,437
COVID - Summer Food Service Program for Children	10.559	1,124,708
Total Child Nutrition Cluster		17,709,519
Cash in Lieu of Child and adult Care Food Program	10.558	1,524,741
Farm to School Grant Program	10.575	76,605
Total U.S. Department of Agriculture		19,310,865
U.S. Department of Education		
Through Minnesota Department of Education		
Adult Education - Basic Grants to States	84.002	690,599
Title I Grants To Local Educational Agencies		
Title I, Part A	84.010	24,731,601
Title I, Part D	84.010	81,812
Total Title I Grants To Local Educational Agencies		24,813,413
Special Education Cluster		
Special Education	84.027	6,159,084
COVID - ARP IDEA Part B	84.027X	188,159
Total Special Education--Grants to States		6,347,243
Special Education - Preschool Grants	84.173	250,185
COVID - ARP IDEA Part B Section 619 - Preschool Grants	84.173X	38,163
Total Special Education--Preschool Grants		288,348
Total Special Education Cluster		6,635,591
Special Education - Grants for Infants and Families	84.181	205,952
Career and Technical Education - Basic Grants to States	84.048	700,374
Education for Homeless Children and Youth	84.196	80,000
Comprehensive State Literacy Development	84.371C	1,289,334
Maltreatment reducation	84.027A	18,946
English Language Acquisition	84.365	800,594
Title II, Part A - Supporting Effective Instruction	84.367	2,784,151
Title IV, Part A - Student Support and Academic Enrichment Program	84.424	925,218
COVID - Governor's Emergency Education Relief Fund	84.425C	1,024,181
COVID - ARP Homeless I	84.425W	246,296
COVID - Elementary and Secondary School Education Relief Fund	84.425D	72,723,698
Total Education Stabilization Funds		73,994,175
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	73,672

See notes to the schedule of expenditures of federal awards.

Minneapolis Public Schools
Special District No. 1
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Listing Number	Expenditures
U.S. Department of Education (Continued)		
Through Metro ECSU		
Special Education - Paraprofessional	84.027	$ 1,200
Direct		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	635,877
21st Century Community Learning Centers	84.287	716,146
Fund for Improvement of Education	84.215	415,016
Indian Education Grants to Local Educational Agencies	84.060	322,960
Arts in Education - Professional Development for Arts Educators	84.351	36,742
Total U.S. Department of Education		115,139,960
U.S. Department of Treasury		
Through Minnesota Department of Education		
COVID - American Rescue Plan	21.027	3,770,506
U.S. Department of Justice		
Direct		
STOP School Violence	16.839	122,969
Corporation for National and Community Service		
Through Serve Minnesota		
AmeriCorps	94.006	406,817
U.S. Department of Health and Human Services		
Through Minnesota Department of Education		
COVID - Minnesota COVID-19 Testing	93.323	1,529,349
U.S. Department of Homeland Security		
Direct		
Citizenship Grant	97.010	15,065
National Endowment for the Humanities		
Through Minnesota Department of Education		
Library Services Tech Art	45.310	70,030
Federal Communications Commisson		
Through Universal Service Administrative Company		
Emergency Connectivity Fund Program	32.009	2,816,798
Total Federal Expenditures		$ 143,182,359

See notes to the schedule of expenditures of federal awards.

Minneapolis Public Schools
Special District No. 1
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the modified accrual basis financial statements.

NOTE 2 – PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 3 – NONMONETARY ASSISTANCE

Nonmonetary assistance is reported in this schedule at the fair market value of commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

NOTE 4 – PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 5 – INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special District No. 1
Minneapolis, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special District No. 1 Minneapolis, Minnesota, as of and for the year ended June 30, 2022, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as audit finding 2022-002, that we consider to be a material weakness.

Report on Internal Control over Financial Reporting (Continued)
A significant deficiency or a combination of deficiencies in internal control that is less serve then a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as audit findings 2022-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to the Findings
The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

Minneapolis, Minnesota
November 28, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special District No. 1
Minneapolis, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District 's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District 's federal programs.

Auditor′s Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District 's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District 's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District 's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District 's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Distrtict's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)
Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BerganKDV, Ltd.

Minneapolis, Minnesota
November 28, 2022

Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes, Audit Finding 2022-002
• Significant deficiency(ies) identified?	Yes, Audit Finding 2022-001
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516*?*	No

Identification of Major Programs

Assistance Listing No:	21.027
Name of Federal Program or Cluster:	American Rescue Plan
Assistance Listing No:	84.010
Name of Federal Program or Cluster:	Title I
Assistance Listing No:	84.425
Name of Federal Program or Cluster:	Education Stabilization Fund
Dollar threshold used to distinguish between type A and type B programs:	$4,295,475
Auditee qualified as low risk auditee?	No

Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

Audit Finding 2022-001 – Segregation of Duties

Criteria or Specific Requirement:
Internal control that supports the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements requires adequate segregation of accounting duties.

Condition:
We noted during review of the District's internal controls that there is a lack of segregation of duties over certain processes. A lack of segregation occurs when there is an individual who has responsibility to perform multiple functions in four key areas: initiation/authorization, processing/recording, reconciling/reporting of financial data, and custody of assets.

We noted lack of segregation of duties, to various degrees, in the following area:

- Financial Closing Process: Certain employees record transactions and reconcile balances at the end of the year without evidence of review by another employee.

Context:
This finding impacts the internal control for all significant accounting functions.

Effect or Potential Effect:
The lack of adequate segregation of accounting duties adversely affected the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements. Financial information could contain inaccurate information if reconciliations are not reviewed timely.

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2022-001 – Segregation of Duties (Continued)

Cause:
Changes in roles and responsibilities of finance staff contributed to reconciliations of certain account balances not being reviewed timely.

Management's Response:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the finding.

2. Actions Planned in Response to Finding
   Financial Closing Process – The process for the financial closing process will improve after changes in roles and responsibilities in the Finance Department.

3. Official Responsible for Ensuring CAP
   Financial Closing Process – Chief Financial Officer.

4. Planned Completion Date for CAP
   The planned completion date for the CAP is June 30, 2023.

5. Plan to Monitor Completion of CAP
   The Finance Department will be monitoring the corrective action plan.

Audit Finding 2022-002 – Prior Period Adjustment

Criteria or Specific Requirement:
Internal control that supports the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements.

Condition:
During the course of our engagement, a prior period adjustment was recognized that had not been recognized in the correct reporting period, therefore resulting in a material misstatement of the District's prior year basic financial statements. The District's internal controls were not sufficient to detect the misstatement in a timely basis. In order to ensure the basic financial statements were free from material misstatements, a prior period adjustment was necessary to correct an understatement of debt service balances.

Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2022-002 – Prior Period Adjustment (Continued)

Context:
This finding impacts internal control over financial reporting.

Effect or Potential Effect:
Internal controls over capital assets affected the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements as a prior period adjustment required for debt service. Financial information could contain inaccurate information if reconciliations are not reviewed timely.

Cause:
Changes in roles and responsibilities of finance staff contributed to reconciliations of account balances not being reviewed timely which resulted in a prior period adjustment.

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the finding.

2. Actions Planned in Response to Finding
   The District's internal controls identified the prior period adjustment however it was not identified until after the reporting period had ended.

3. Official Responsible for Ensuring CAP
   Joseph Olson, Interim Director, Finance - Controller, is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   The planned completion date for the CAP is June 30, 2023.

5. Plan to Monitor Completion of CAP
   The Finance Department management will be monitoring the corrective action plan.

SECTION III – PRIOR YEAR FINDINGS

None

SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Minnesota Legal Compliance

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special District No. 1
Minneapolis, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2022, and the related notes to basic financial statements, and have issued our report thereon dated November 28, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to *Minnesota Statutes* § 6.65, insofar as they relate to accounting matters. However, our audit as not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is to describe the scope of our testing of compliance and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

Minneapolis, Minnesota
November 28, 2022

2022-2023 Budget Update

December 13, 2022

MINNEAPOLIS PUBLIC SCHOOLS

Revenue Overview

	Original Budget	Amended Budget	Change	**Assumes board adoption of Board Resolution 2022-0071**
General Fund				
Local Sources	$132.5M	$132.5M	$0.0M	Levy is fixed
State Sources	$356.1M	$349.3M	($6.8M)	Lower ADM projected
Federal Sources	$123.2M	$147.7M	$24.5M	ESSER Pull-forwards
Other Sources	$12.6M	$12.6M	$0.0M	
General Fund	**$624.4M**	**$642.1M**	**$17.7M**	
Food Svc Fund	**$25.0M**	**$18.9M**	**($6.1M)**	Lower reimbursements
Comm. Ed Fund	**$37.0M**	**$37.0M**	**$0.0M**	
FY23 Operating Revenue	**$686.4M**	**$698.0M**	**$11.6M**	

Expenditure Overview

	Original Budget	Amended Budget	Change
General Fund			
General Operating	$509.6M	$511.2M	$1.6M
Grants	$123.2M	$147.7M	$24.5M
Funded Programs	$10.0M	$10.0M	$0.0M
Subtotal General Fund	**$642.8M**	**$668.9M**	**$26.1M**
Food Service Fund	**$26.7M**	**$20.6M**	**($6.1M)**
Community Ed Fund	**$38.2M**	**$38.2M**	**$0.0M**
FY23 Operating Expense	**$707.7M**	**$727.7M**	**$20.0M**

Assumes board adoption of Board Resolution 2022-0071

Expenditure Changes

- $1.4M added for safety and security enhancements.
- $220K added for hot lunches at Wellstone
- $3M ESSER pull-forward to pay for academic boosts.
- $16.5M ESSER pull-forward for increased transportation costs.
- $5.0M ESSER pull-forward to subsidize Food Service.

MINNEAPOLIS PUBLIC SCHOOLS

Non-Operating Funds

	Original Budget	Amended Budget	Change	
Revenue				
Capital Projects	$64.2M	$76.2M	$12.0M	North High and CTE Center
Debt Service Fund	$91.1M	$91.1M	$0.0M	
Non-Operating Revenue	**$155.3M**	**$167.3M**	**$12.0M**	
Expenditures				
Capital Projects	$130.0M	$142.0M	$12.0M	North High and CTE Center
Debt Service Fund	$91.1M	$91.1M	$0.0M	
Non-Operating Expenses	**$221.1M**	**$233.1M**	**$12.0M**	

Questions

2023 Levy Overview

Truth-in-Taxation Meeting

December 13, 2022

MINNEAPOLIS PUBLIC SCHOOLS

Purpose

- State statute requires all local governments (cities, counties, and school districts) to hold a public hearing prior to certifying their levy authority.
- Public comments must be allowed
- The hearing must be held after the release of proposed tax notices from the county. The notices contain information on estimated taxes as well as market value and other adjustments.

Levy Basics

- School levy authority in established in state statute.
- Levy includes items authorized by statute and voter-approved referendums.
- The 22 Pay 23 levy will provide funding for the FY24 school year.
- MPS receives payments after the May and October collections from Hennepin County.
- The levy amount can only decrease after September 30.

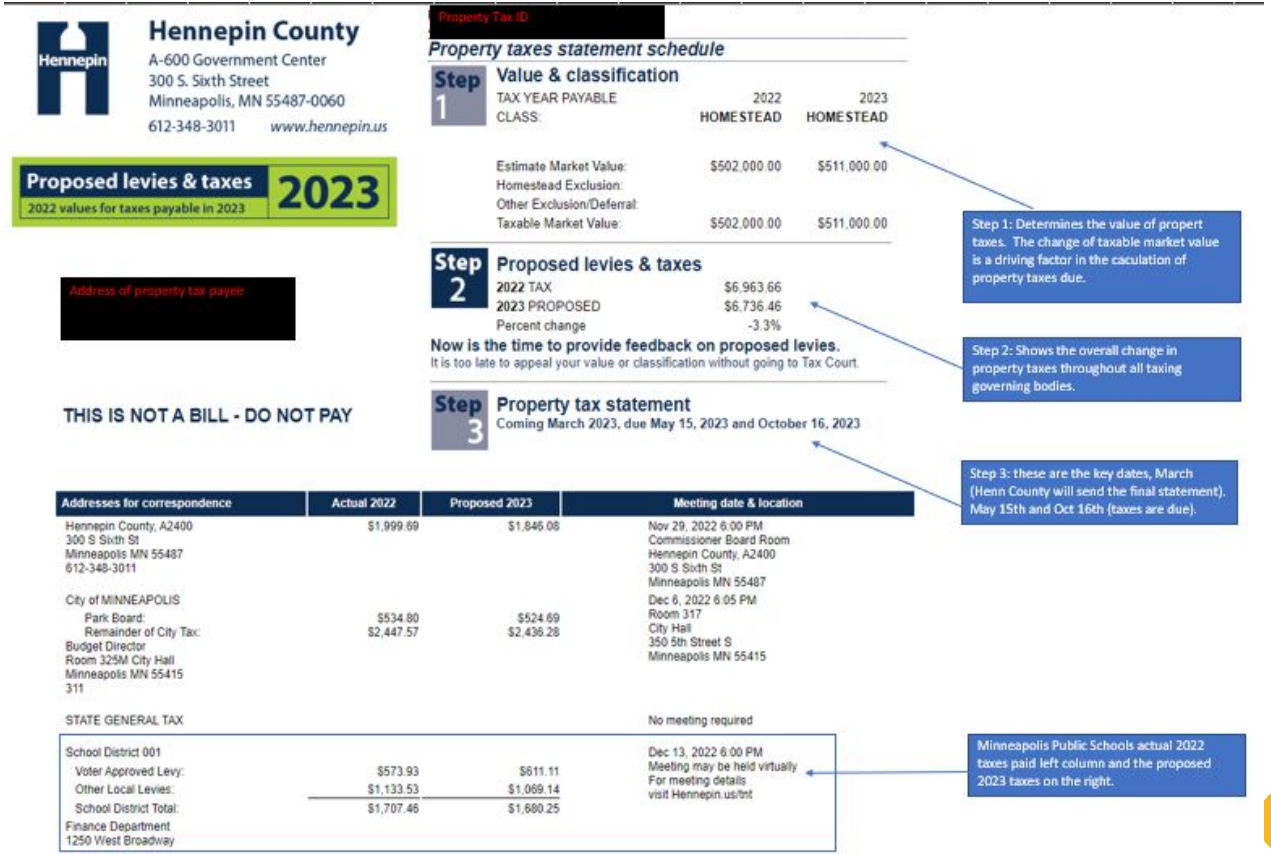
Factors Impacting Levy Amounts

- Changes in tax base
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by statute
- Other Post Employment Benefit (OPEB) obligations
- Debt and Capital plans (capital projects, refunding of bonds, long-term facilities maintenance (LTFM), health and safety projects

Levy Summary

	21 Payable 22 Certified Levy	22 Payable 23 Proposed Levy	Change
General Fund Levy	$136,999,973	$145,848,250	$8,848,277
Community Service Levy	$5,541,222	$5,474,604	($66,618)
General Debt Service Levy	$91,134,710	$92,497,294	$1,362,585
Total	**$233,675,905**	**$243,820,149**	**$10,144,244 4.34%**

Proposed Property Tax (Truth In Taxation) Statement



Hennepin County
A-600 Government Center
300 S. Sixth Street
Minneapolis, MN 55487-0060
612-348-3011 www.hennepin.us

[redacted]

Proposed levies & taxes 2023
2022 values for taxes payable in 2023

[redacted]

THIS IS NOT A BILL - DO NOT PAY

Property taxes statement schedule

Step 1 Value & classification

TAX YEAR PAYABLE	2022	2023
CLASS:	HOMESTEAD	HOMESTEAD
Estimate Market Value:	$502,000.00	$511,000.00
Homestead Exclusion:		
Other Exclusion/Deferral:		
Taxable Market Value:	$502,000.00	$511,000.00

Step 2 Proposed levies & taxes

2022 TAX	$6,963.66
2023 PROPOSED	$6,736.46
Percent change	-3.3%

Now is the time to provide feedback on proposed levies.
It is too late to appeal your value or classification without going to Tax Court.

Step 3 Property tax statement
Coming March 2023, due May 15, 2023 and October 16, 2023

Addresses for correspondence	Actual 2022	Proposed 2023	Meeting date & location
Hennepin County, A2400 300 S Sixth St Minneapolis MN 55487 612-348-3011	$1,999.69	$1,846.08	Nov 29, 2022 6:00 PM Commissioner Board Room Hennepin County, A2400 300 S Sixth St Minneapolis MN 55487
City of MINNEAPOLIS			Dec 6, 2022 6:05 PM Room 317 City Hall 350 5th Street S Minneapolis MN 55415
Park Board:	$534.80	$524.69	
Remainder of City Tax:	$2,447.57	$2,436.28	
Budget Director Room 325M City Hall Minneapolis MN 55415 311			
STATE GENERAL TAX			No meeting required
School District 001			Dec 13, 2022 6:00 PM Meeting may be held virtually For meeting details visit Hennepin.us/tnt
Voter Approved Levy:	$573.93	$611.11	
Other Local Levies:	$1,133.53	$1,069.14	
School District Total:	$1,707.46	$1,680.25	
Finance Department 1250 West Broadway			

Step 1: Determines the value of propert taxes. The change of taxable market value is a driving factor in the caculation of property taxes due.

Step 2: Shows the overall change in property taxes throughout all taxing governing bodies.

Step 3: these are the key dates, March (Henn County will send the final statement). May 15th and Oct 16th (taxes are due).

Minneapolis Public Schools actual 2022 taxes paid left column and the proposed 2023 taxes on the right.

MINNEAPOLIS PUBLIC SCHOOLS

Estimated Impact on Residential Taxpayers

Estimated Market Value (EMV)	Decrease in Property Taxes ($)	Decrease in Property Taxes (%)
$100,000	-12	-3.6%
150,000	-18	-3.6%
200,000	-24	-3.6%
250,000	-30	-3.6%
300,000	-36	-3.6%
350,000	-43	-3.6%
400,000	-49	-3.6%
450,000	-55	-3.6%
500,000	-61	-3.6%

Estimated Impact on Residential Taxpayers

Estimated Market Value (EMV)	Decrease in Property Taxes ($)	Decrease in Property Taxes (%)
$550,000	-$69	-3.6%
600,000	-77	-3.7%
650,000	-85	-3.7%
700,000	-93	-3.8%
750,000	-102	-3.8%
800,000	-110	-3.8%
850,000	-118	-3.8%
900,000	-126	-3.9%
950,000	-134	-3.9%
1,000,000	-$142	-3.9%

Estimated Impact on Commercial Taxpayers

Estimated Market Value (EMV)	Increase in Property Taxes ($)	Increase in Property Taxes (%)
$250,000	$8	1.0%
500,000	15	0.8%
750,000	22	0.8%
1,000,000	30	0.8%
1,250,000	37	0.8%
1,500,000	44	0.8%
1,750,000	51	0.8%
2,000,000	58	0.8%
2,250,000	65	0.8%
2,500,000	72	0.8%
5,000,000	143	0.7%
10,000,000	285	0.7%

Questions



FY 23 Pro Forma

Budget & Student Accounting Office

Regular Business Meeting
December 13, 2022

MINNEAPOLIS PUBLIC SCHOOLS

What is the pro-forma?

- 5-year projection of the district's financial position.
- A tool to inform board and senior leadership financial decisions.
- An explanation as to why the district financial position is what it is.
- An analysis of the district's financial position as it relates to the future.

What the pro-forma is NOT

- The purpose of the pro-forma is not to:
  - Prescribe structural changes to the district.
  - Propose remedies to existing financial issues.
  - Direct the decisions of the board and senior leaders.
- The pro-forma is meant to inform, not direct.

What are the findings of the pro-forma?

- The district is approaching an impending fiscal crisis.
- This is a result of long-standing structural issues compounded by rapidly increasing costs, stagnant revenue, and a sudden loss of federal funds in FY25.
- Increasing enrollment is not a viable strategy to fix the district's financial issues.
- The largest cause of enrollment declines is due to a decline in the number of children living in the city.

Five Year Projection

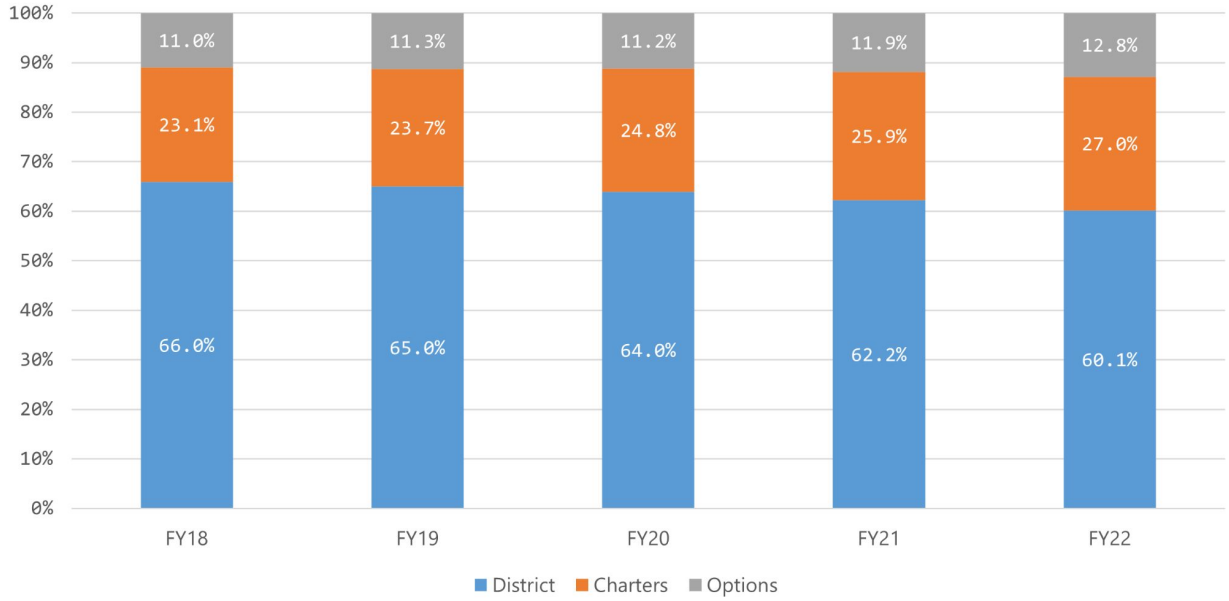
Millions of $	FY23	FY24	FY25	FY26	FY27	FY28
Revenue	$627.7	$621.3	$539.9	$523.3	$514.2	$509.5
-- change %		-1.9%	-4.5%	-5.1%	-3.9%	-3.1%
Expenditures	$642.8	$636.5	$648.1	$657.3	$669.6	$683.1
-- change %		-1.0%	1.8%	1.4%	1.9%	2.0%
Change in Fund Balance	($15.0)	($15.2)	($108.2)	($134.0)	($155.4)	($173.6)
Beginning Fund Balance	$147.0	$131.9	$116.7	$8.5	($125.5)	($280.9)
Ending Fund Balance	$131.9	$116.7	$8.5	($125.5)	($280.9)	($454.5)

Assumptions

- Primary assumptions in our model include:
  - Enrollment
  - Funding Levels
  - Salaries & Other expenditures

Enrollment Share

- MPS share of public-school enrollment has fallen by about 6% over the last five years.



MINNEAPOLIS PUBLIC SCHOOLS

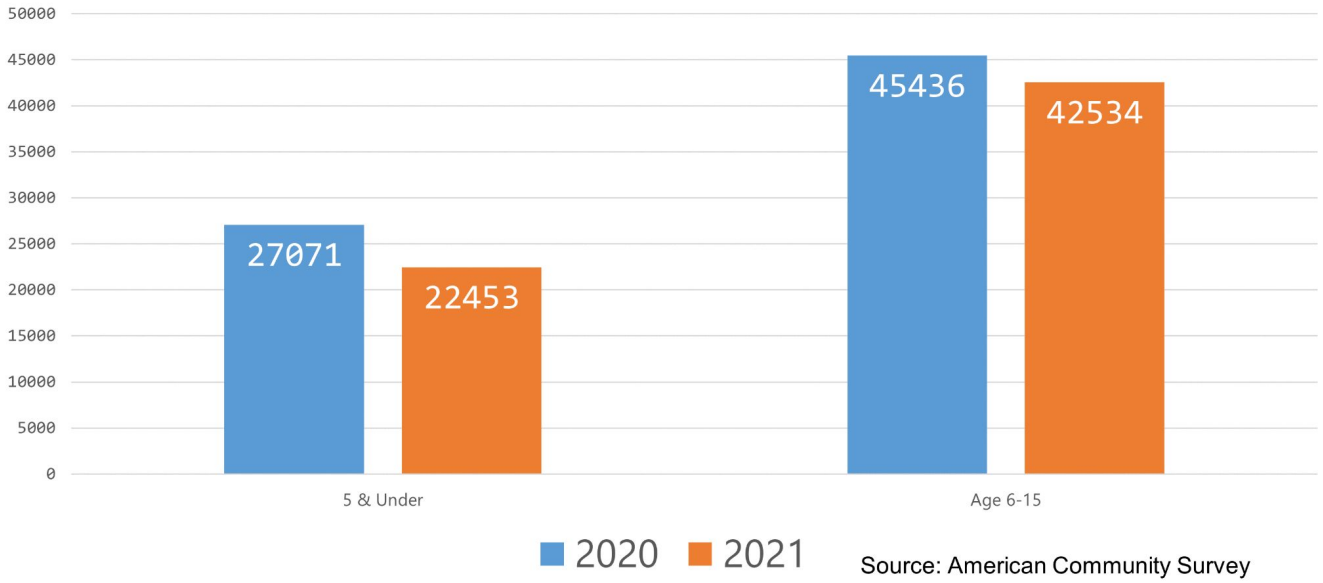
Change in enrollment counts for Minneapolis residents

- Only about a fifth of enrollment loss is to charter schools or open enrollment

	FY19	FY20	FY21	FY22	Total
District	-906	-880	-1,824	-2,383	-5,993
Charters	204	448	185	-30	807
Options (Open Enrollment)	95	-85	162	195	367
Total Net Change	**-607**	**-517**	**-1,477**	**-2,218**	**-4,819**

There are fewer children living in Minneapolis

- The number of children ages 5 and under living in the city fell 17% between 2020 and 2021. The number of children ages 6-15 fell 6.4%. When there are simply fewer children in the district to educate, enrollment will decline.

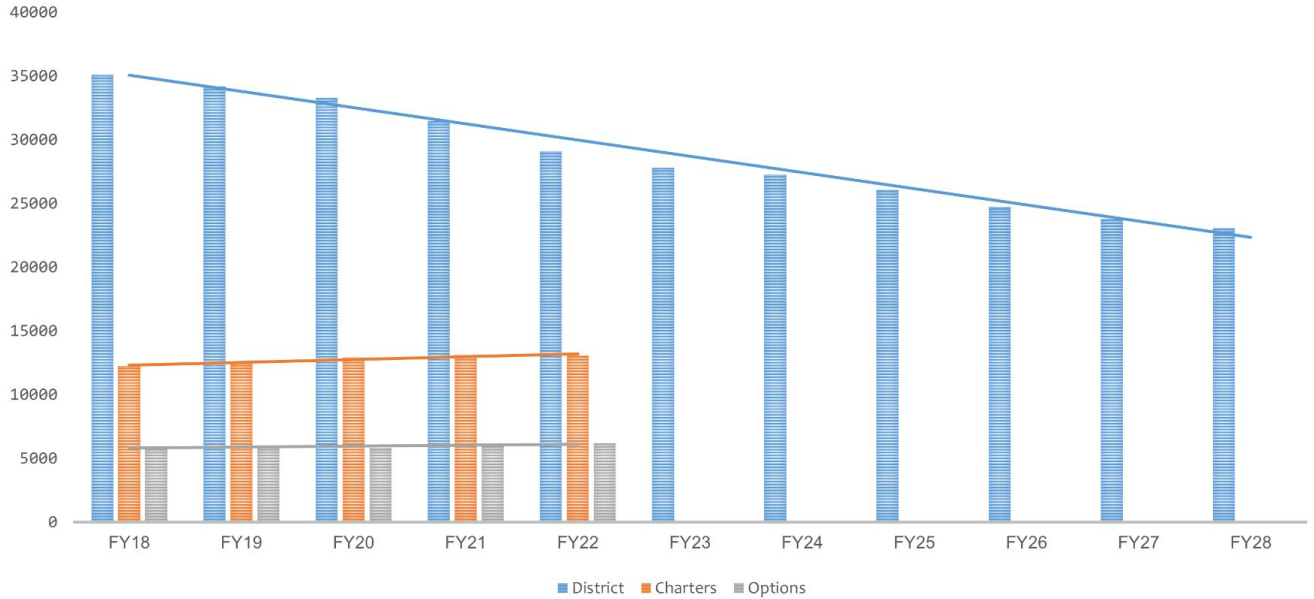


Source: American Community Survey

MINNEAPOLIS PUBLIC SCHOOLS

Projected enrollment trend

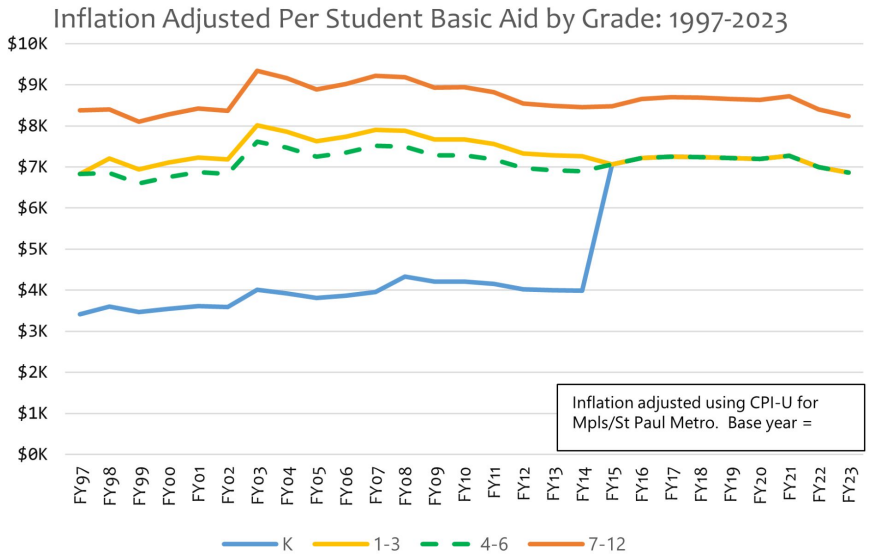
- Our enrollment projection is in line with the trend over the last five years. Our projection results in enrollment of just over 23,000 in FY28.



MINNEAPOLIS PUBLIC SCHOOLS

Inflation adjusted per pupil basic aid - the "formula"

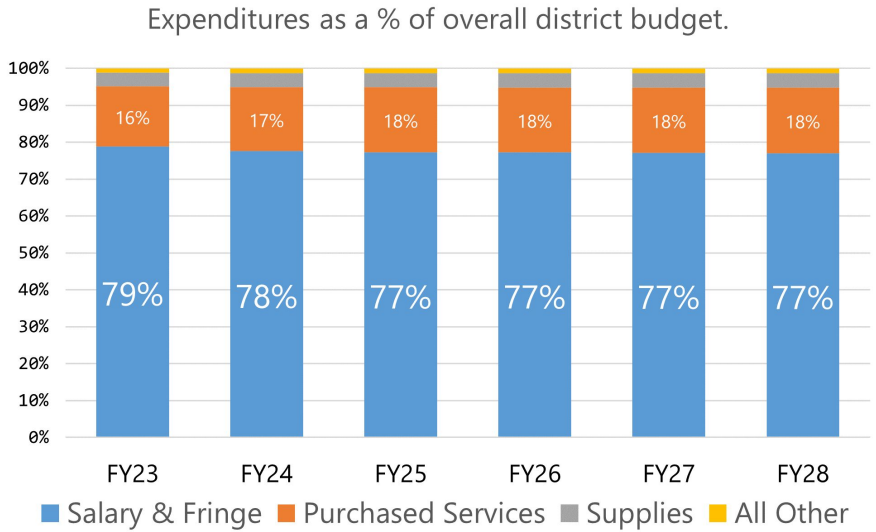
- On an inflation adjusted basis, basic – or "formula" – aid per student peaked in FY03 for grades 1-12. (Kindergarten was funded as half day)
- Had the per student aid kept pace with inflation, MPS would have received an additional $26.8M in basic aid this year.



MINNEAPOLIS PUBLIC SCHOOLS

Salaries, wages and fringe

- Nearly 80% of General Fund expenditures are used to pay salaries, wages, and fringe benefits.
- Small changes in the way we compensate people can have outsized effects on the overall financial position.



MINNEAPOLIS PUBLIC SCHOOLS

Compensation improvements

- We assume that average individual compensation will improve by 2.5% annually as a result of all future bargaining.
- Most bargaining units saw substantial increases in the rounds of bargaining that have already been agreed to.

	Shaded Boxes represent amounts already agreed to and approved by Board of Education

	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Minneapolis Federation of Teachers							
Teachers Chapter	4.5%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Educational Support Professionals	8.6%	6.1%	2.5%	2.5%	2.5%	2.5%	2.5%
Minneapolis Principals Forum	4.7%	5.4%	2.5%	2.5%	2.5%	2.5%	2.5%
Professional Unions (AMP/MACA/MAAS)	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%
AFSCME Local 56	2.5%	3.1%	2.2%	2.5%	2.5%	2.5%	2.5%
Teamsters Local 320							
Drivers	9.9%	0.8%	3.2%	2.5%	2.5%	2.5%	2.5%
Grounds	4.8%	3.4%	3.8%	2.5%	2.5%	2.5%	2.5%
SEIU Local 284							
Custodians	1.8%	12.6%	3.2%	3.3%	2.5%	2.5%	2.5%
Food Service	7.5%	7.7%	3.0%	2.5%	2.5%	2.5%	2.5%

MINNEAPOLIS PUBLIC SCHOOLS

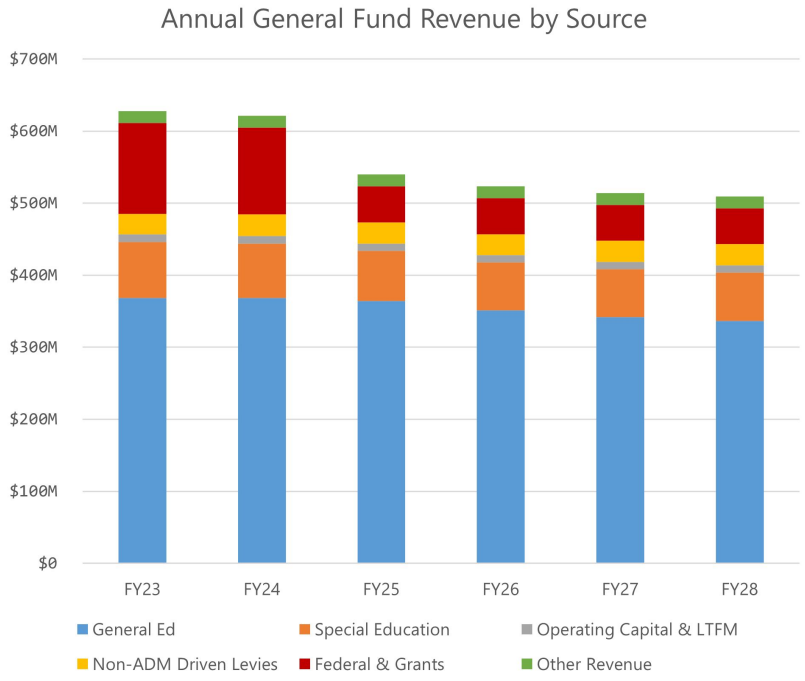
Cost of Strategic Initiatives are not included in the projection

- The MPS strategic plan has several items that would drive incremental costs, but those costs are not baked into the pro-forma.

Cost Level	Some Potential Strategic Expenditures or Financial Commitments
$$$$$	• Bargaining strategies that prioritize proposals expanding the district's flexibility in hiring and layoff decisions. • Align curriculum replacement to national standards.
$$$$	• Lowering vacancy rates • Expanding professional staffing in key areas such as mental health, PAR mentors, etc.
$$$	• Expanding district support staff in areas like Human Resources. • Increased transportation costs due to shortened walk zones and extended K-12 pathways. • Expanding professional development opportunities.
$$	• Contracts with outside vendors such as the Legal Rights Center
$	• Professional Learning Communities

ESSER III Expiration

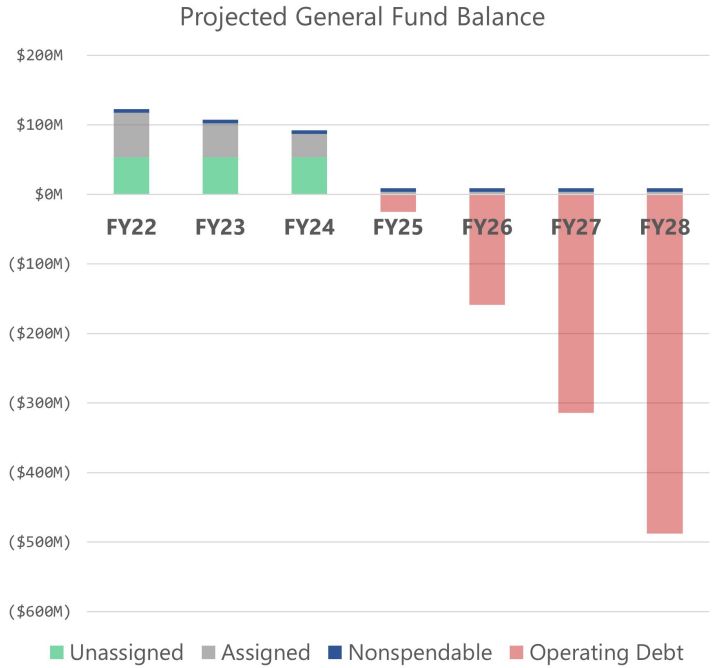
- Federal ESSER III funds will no longer be available to districts after FY24 (this is represented in the red bars on the chart).
- MPS is planning to use those funds to balance our budget this year and next year.
- This leaves approximately $70M in annual funding that will either require:
  - Reduced Spending
  - Using the General Fund Balance
- One year of operating the district with this sizable a deficit will wipe out the general fund.



MINNEAPOLIS PUBLIC SCHOOLS

Fund Balance Depletion

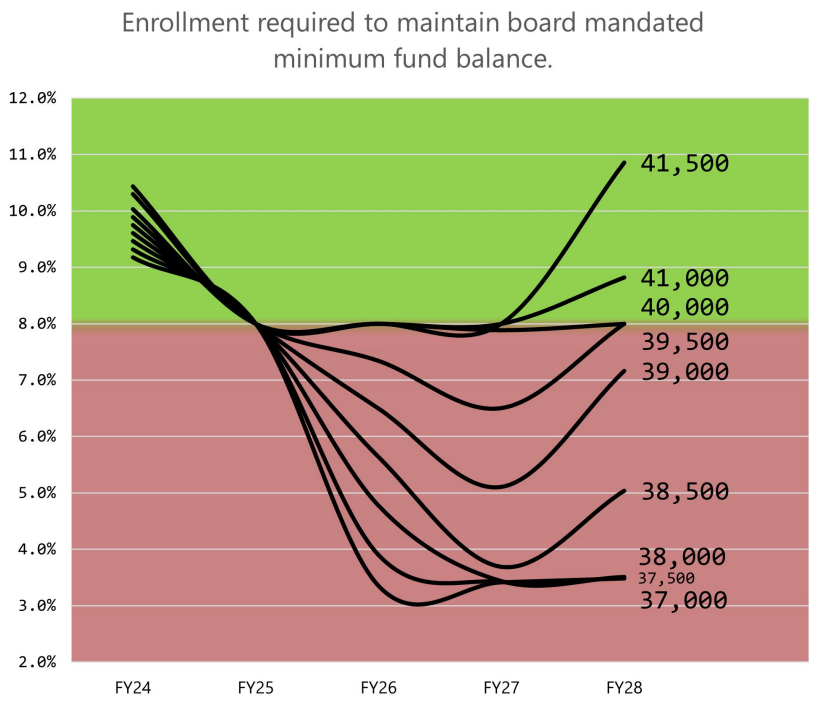
- Given the current status-quo, the district would be forced to take on operating debt starting in FY25.
- As revenue continually declines and expenditures compound on themselves, annual losses increase at an increasing pace.
- As the funding gap continues, eventually the bottom falls out.



MINNEAPOLIS PUBLIC SCHOOLS

Maintaining fund balance minimums with enrollment

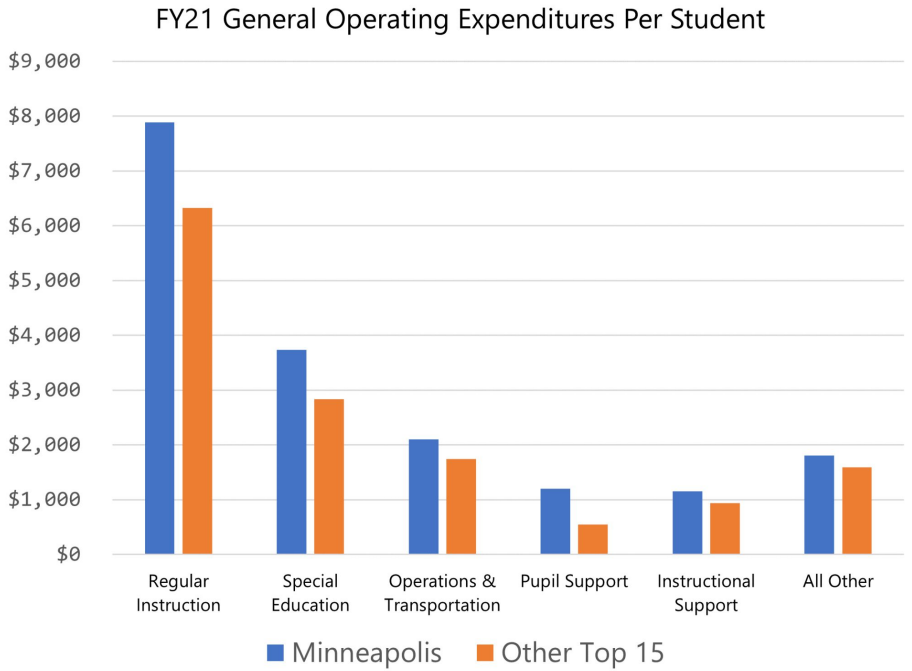
- Board Policy 3700 requires MPS to maintain a minimum unassigned fund balance of 8% of general operating expenses.
- Assuming constant growth, MPS would need about 40,000 students by FY28 to comply with this policy.
- Unassigned General Fund fund-balance is how the district stands ready for any event which disrupts cash flow, such as:
  - State government shutdown.
  - Property tax shift.
  - Reimbursement delay.
- The unassigned General Fund fund-balance acts as the district's operating capital – operating liquidity that allows daily operations to continue without disruption.



MINNEAPOLIS PUBLIC SCHOOLS

How do other districts do it?

- In total, MPS spent $3,900 more per pupil in general operating costs in FY21 than the other 15 largest districts in the state.
- If MPS spent, per pupil, at the same rate as the other 15 largest districts it would have spent $125.3M less than it did.
- The largest gaps are:
  - Regular Instruction - $1,556 more per pupil.
  - Special Education - $906 more per pupil
  - Pupil Support Services - $658 per pupil



MINNEAPOLIS PUBLIC SCHOOLS

Lower student to teacher ratios drive increased costs

- MPS has markedly lower ratios of students per licensed staff compared to the 14 other largest districts in the state as well as the average district in the state.
- MPS is the largest employer of licensed teaching staff in the state despite being the third largest district in the state.

	MPS	Other Top 15	State Average
Students per licensed staff	9.6	12.5	12.3
Students per licensed instructional staff.	13.0	16.1	15.4

Low ratios are driven by the number and size of schools

- Other large districts utilize fewer, larger schools to drive economies of scale and reduce per pupil expenditures.

	Anoka-Hennepin	Saint Paul	MPS	Rosemount-Apple Valley	Osseo
Elementary School	26	42	43	19	17
Middle School	6	7	8	6	4
High School	5	5	10	5	3
Secondary School	0	4	0	0	0
Total Schools	37	58	61	30	24
Schools Serving Grades K-5					
10/1/2021 Count	15,646	14,990	13,640	12,463	8,897
Avg School Size	602	357	317	656	523
Schools Serving Grades 6-12					
10/1/2021 Count	21,706	17,400	15,613	16,253	11,134
Avg School Size	1,973	1,088	867	1,478	1,591

Potential fiscal challenges faced by the district

- Enrollment might decline more than projected.
- Inflation may limit the district's flexibility in making decisions.
- The district may be unable to maintain its Special Education Maintenance of Effort threshold.
  - With some adjustments, the district must generally spend as much or more on special education than it did in the prior year.
  - Failure to do so requires the district to "pay back" the amount of spending under the threshold, which is always equal to the highest year of spending.
- The district may have difficulty recruiting or retaining the staff needed to implement the Strategic Plan.
- The district may be unable to maintain its bond rating.

Potential Fiscal Opportunities

- The Strategic Plan might drive incremental enrollment.
- The State Legislature might increase the district's funding.

In conclusion:

- Enrollment is falling precipitously as families leave the city.
- As currently structured, the district faces an imminent fiscal crisis due to decreasing revenue and increasing costs.
    - The crisis is exacerbated by use of COVID relief funds to finance ongoing operational expenditures.
    - Adjusted for inflation, state education aid per pupil has been dropping for the last twenty years.
- MPS spends significantly more per student than other large districts in Minnesota.
- Higher per-student spending is driven by low student to teacher ratios, which result from smaller, more numerous schools.
- The strategic plan will require substantial ongoing financial commitments by the district in areas such as curriculum adoption, bargaining strategy, and expanded programming.

Questions

MEMO

MINNEAPOLIS PUBLIC SCHOOLS

Date: November 29, 2022

To: Rochelle Cox, Interim Superintendent

From: Ibrahima Diop, Senior Financial Officer

RE: Pro forma Financial Projections – General Fund

Overview

In accordance with Board Policy 3005 the MPS Budget Office has refreshed its annual pro-forma projections for Minneapolis Public Schools, Special School District #1. We continue to project an imminent financial crisis related to declining enrollment and a failure to align increasing expenditures with anticipated declining revenues.

This document begins with a 'status-quo' projection of MPS's finances that assumes an unchanged direction in our planning, programming and direction, followed by a brief overview of the district's strategic plan. Following that is a discussion on how other districts are approaching financial management. Finally, this document concludes by reviewing many of the potential risks and opportunities MPS should anticipate as it manages its finances through the next several years.

The purpose of this document is to inform the Board of Education, senior MPS leadership, and the MPS community about the fiscal health of our school system. The purpose of this document is not to make suggestions or propose remedies. Where alternative models, changes to existing practices, or potential remedies are mentioned, it is done to inform the reader or improve the reader's understanding.

Status Quo Projection

In order to understand where we are, we must start with a 'status quo' projection of MPS's finances. That is, if we continue forward with the district's existing footprint, practices, policies, and priorities, how will that impact MPS financial health over the next five years? As in previous years we find that the current cost structure of the district is unsustainable, that the cost of district expenditures continues to outpace increases in revenue, and that we expect the district to confront an unprecedented fiscal crisis in the 2024-2025 school year.

Table 1 - Status Quo Pro-Forma Projection

	FY23	FY24	FY25	FY26	FY27	FY28
Avg. Daily Membership	27517	27004	25794	24469	23526	22797
--% Change		*-1.9%*	*-4.5%*	*-5.1%*	*-3.9%*	*-3.1%*
General Fund Revenue	$ 627.7M	$ 621.3M	$ 539.9M	$ 523.3M	$ 514.2M	$ 509.5M
--% Change		*-1.0%*	*-13.1%*	*-3.1%*	*-1.7%*	*-0.9%*
General Fund Expenditures	$ 642.8M	$ 636.5M	$ 648.1M	$ 657.3M	$ 669.6M	$ 683.1M
--% Change		*-1.0%*	*1.8%*	*1.4%*	*1.9%*	*2.0%*
Net Change in Fund Balance	$ (15.0M)	$ (15.2M)	$(108.2M)	$(134.0M)	$(155.4M)	$(173.6M)
General Fund Balance	$ 131.9M	$ 116.7M	$ 8.5M	$(125.5M)	$(280.9M)	$(454.5M)

Our five-year pro-forma (Table 1) anticipates fully depleting the general fund fund-balance during the 2024-2025 school year, and quickly descending into statutory operating debt.[1] There are three primary reasons that explain why we expect the district's fiscal crisis to intensify:

1. The "fiscal cliff" – MPS has been using federal emergency Coronavirus relief aid to balance its budget. All funds allocated to the district from these sources must be fully depleted by September 2024 and will no longer be available. Its discontinuation represents a substantial reduction in general funds.
2. Continued enrollment declines – MPS has experienced substantial enrollment declines for several years. While the Coronavirus pandemic contributed to these declines, they were occurring before the pandemic emerged and have continued afterward.
3. Increasing costs – MPS has seen costs increase over the past year or two and anticipates future cost increases to continue outpacing any increases in state revenue formulas.

Assumptions

Our projection includes assumptions about enrollment, other revenue drivers, salaries, and other expenditures that materially impact the result of the projection. These assumptions are based on a variety of factors, but in general are based on past trends and future expectations. It is important to keep in mind that these assumptions represent unknown quantities and are subject to change. The quality of

[1] Minnesota law defines school district *operating debt* as "the net negative unreserved general fund balance calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting standards for Minnesota school districts" and defines a district as being in *statutory operating debt* "if the amount of the operating debt is more than 2-1/2 percent of the most recent fiscal year's [general fund] expenditure[s]." If a district does go into statutory operating debt, they must submit a *special operating plan* to the Commissioner of Education, who must approve the plan. The special operating plan must include a plan to reduce the district's deficit expenditures. (Minn. Stat. § 123B.83)

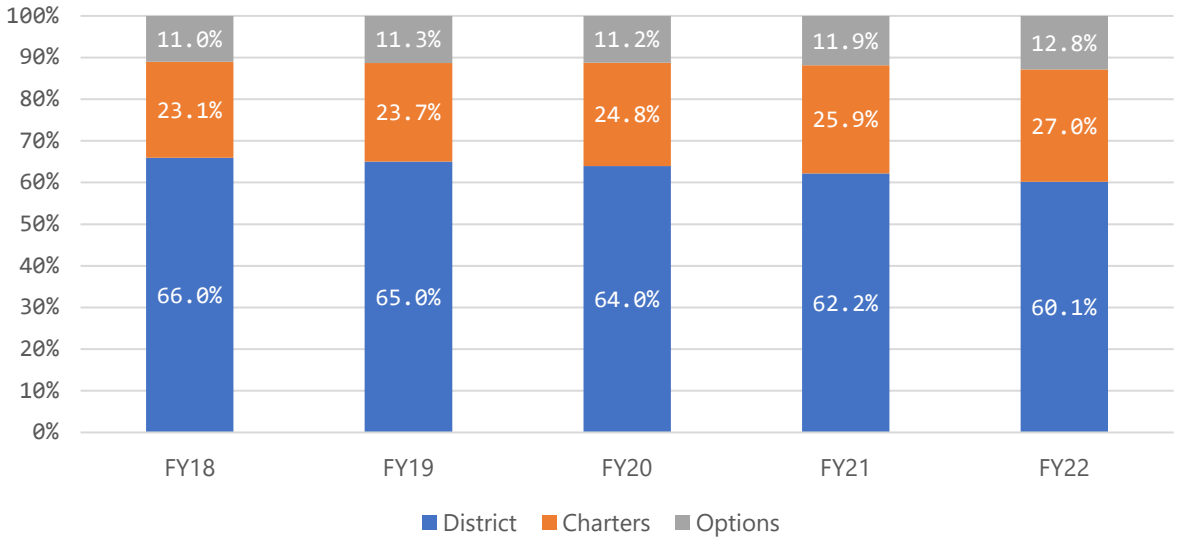
these assumptions must be grounded in their *reasonableness*. That is, how reasonable are these assumptions given what we do and do not know.

Enrollment

Our status quo projection assumes a continued decline in enrollment over the next five years based on trends for the past five. Enrollment is measured in average daily membership, or "ADM" (MDE label), which is the average number of students enrolled at MPS on any given day during the school year. We model enrollment based on several factors:

1. The number of live births within the city of Minneapolis – we can assume that a certain number of the children born to families living in the City of Minneapolis will continue living here until they are old enough to start kindergarten.
2. Year-over-year attrition – we have historical trends that measure the number of students advancing to the next grade in each year.
3. Known disruptions – we also try to estimate the effect of disruptive events on district enrollment. A disruptive event may increase enrollment, decrease enrollment, or have no effect. Examples of disruptive events include new charter schools, global pandemics, civil unrest, and fundamental changes in the way MPS is organized.

Figure 1 – Share of publicly educated students in Minneapolis



In Minnesota, resident school districts do not have a monopoly on student enrollment. Most families have three different types of public schools to choose from: MPS schools, public charter schools, or open enrollment into another school district, usually in a nearby suburb ("options"). Over the last five years MPS has seen its share of publicly educated students steadily erode as families have increasingly opted for public charters and enrollment in school districts outside Minneapolis. (*Figure* 1)

While erosion in the share of publicly educated students of almost 6% over five years is significant, looking at share alone masks another important factor that has contributed to enrollment declines: the number of publicly educated children living in the City of Minneapolis has been declining steadily.

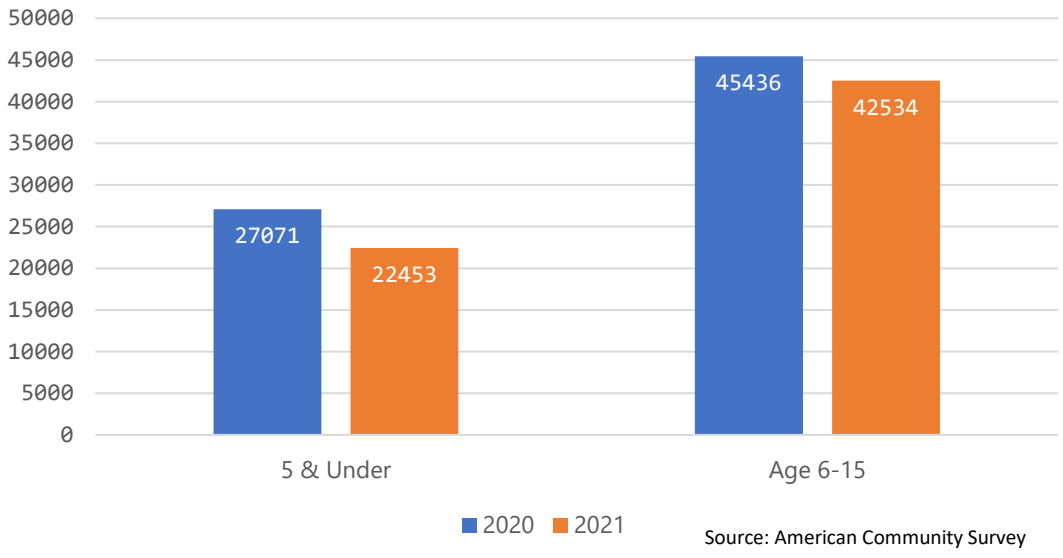
Although MPS has seen its ADM go down by almost 6,000 students since the 2017-2018 school year, only 1,174 of those ADMs have been picked up by charters or other public-school districts. (*Table* 2) This means that there has been a net reduction of nearly 5,000 publicly educated students living in the city. In short, families with school-age children are leaving the city.

Table 2 – ADM change from previous year by public education provider.

	FY19	FY20	FY21	FY22	Total
District	-906	-880	-1824	-2383	-5993
Charters	204	448	185	-30	807
Options	95	-85	162	195	367
Total Net Change	**-607**	**-517**	**-1477**	**-2218**	**-4819**

We have no reason to believe that this trend will reverse itself. The American Community Survey [2] estimates that there were nearly 3,000 fewer children aged six to 15 living in the city in 2021 than there had been a year earlier, and over 4,600 fewer children under the age of six. (*Figure* 2). As a result, not only has the pool of potential students decreased but the pool of current and future kindergartners also decreased during that period. This will continue to impact MPS enrollment as those children attend schools in their new residential districts outside Minneapolis.

Figure 2 – School age children living in the City of Minneapolis

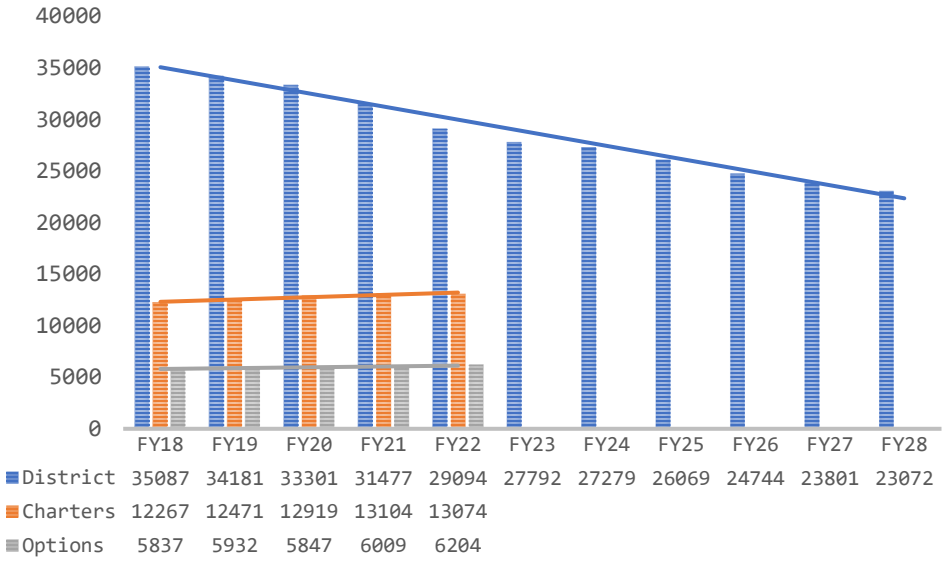


Source: American Community Survey

We can't know the impact of several significant events within Minneapolis over the past three years: a major infrastructure change in MPS through the Comprehensive District Design, the murder of George Floyd and ensuing civil unrest, the COVID-19 pandemic and lockdown and a 14-day teacher strike. We *do* know MPS experienced a 17.1% decrease in student enrollment between 2017 and 2022

[2] https://data.census.gov/cedsci/table?q=Minneapolis,%20MN&y=2020&tid=ACSST5Y2020.S0101
https://data.census.gov/cedsci/table?q=Minneapolis,%20MN&y=2021&tid=ACSST1Y2021.S0101

Figure 3 – Enrollment trends for publicly educated children living in Minneapolis



Given the above, we conclude that -- barring significant structural change --enrollment will continue to decline to just over 23,000 students in the 2027-2028 school year (*Figure 3*). Although a restructured and improved public school system might help stem the tide, it's also important to note that we still expect the number of children living in the city to continue declining. Therefore, MPS must address both the quality of its product as well as work with policy makers and city leaders to address factors outside of its control, such as crime, housing prices, and transportation issues, if it hopes to stabilize.

Other Revenue Assumptions

Our model makes certain assumptions that impact revenue aside from membership, the most impactful of which relate to referenda, state per-pupil funding allocations, federal grants and special education.

Operating Referendum and Capital Projects Levy Revenue

With the approval of Minneapolis voters, Minneapolis Public Schools is able to increase its annual property tax levy through two voter-approved levies: an operating referendum and a capital projects levy, which were both last approved by voters in 2018.

The operating referendum, which is used to fund teachers and support staff, allows the Board of Education to levy to the state-mandated limit of an additional $1,969.62 per pupil unit for fiscal year 2023. The operating referendum increases each year by an inflationary factor.

The capital projects levy allows the Board of Education to levy up to 2.49% of the net tax capacity of the district "to provide funds for the purchase, installation, and maintenance of software applications and technology equipment" as well as associated training and associated personnel costs. The capital projects levy is expected to generate just over $15 million to be used for these expenses in fiscal year 2023.

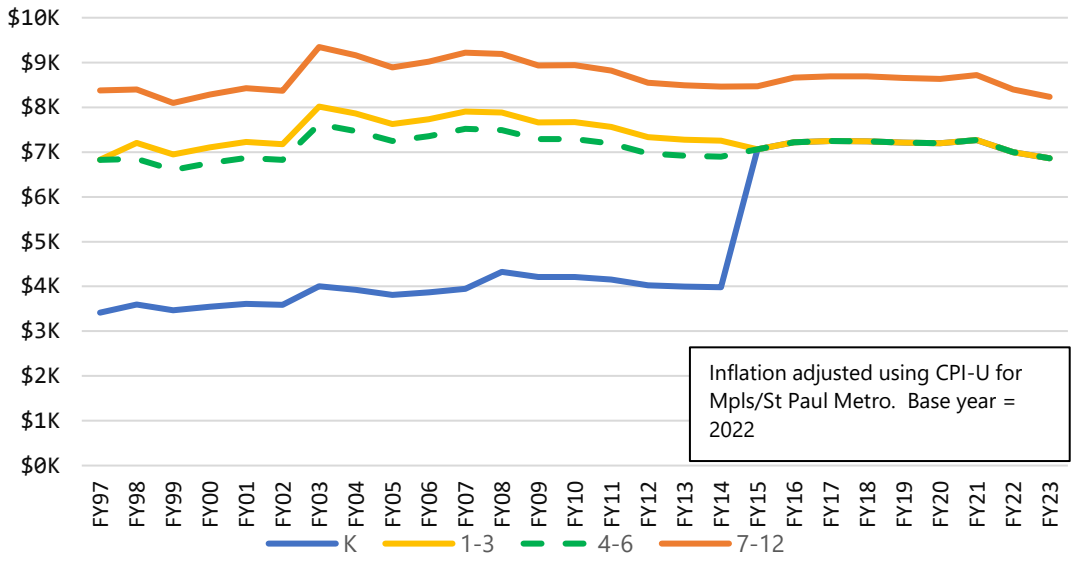
As both measures were last authorized by voters in the 2018 election for a term of seven years, they will expire and need to be renewed so that MPS may assess these levies in the final fiscal years addressed in

this pro forma. We are assuming that these referenda will be approved by voters as they were in 2018. We consider this assumption to be reasonable given the wide margins by which they passed in 2018.[3]

Per Pupil Basic Revenue (the "Formula")

The largest single source of funding for school districts in Minnesota is state aid paid on a per pupil basis by the state using a "formula" that multiplies a grade-specific weighting against a formula allowance, both of which are determined by the legislature as part of the biennial state budgeting process.[4] The formula allowance is a specific number defined in statute and is not linked to inflation. In each funding year the legislature must negotiate amongst themselves to determine what dollar amount should be used for each of the next two years.

Figure 4 – Inflation adjusted per student formula aid by student grade level. The sharp increase in per pupil kindergarten funding corresponds with the shift to full day kindergarten.



Looking at the per pupil funding amounts over the last 25 years clearly shows this funding source has not kept pace with inflation (*Figure 4*). We are assuming that, even in this time of high inflation, the legislature will not increase the formula allowance by the total amount by which inflation has reduced it. Since 2015, when the formula allowance was increased by 10%, the legislature has not increased the formula allowance by more than 4% in any year.

Additionally, while the formula allowance was increased by 10% in 2015, the legislature also reset the weightings that year, which resulted in a *decrease* in the formula of 1.4% for students in grades 1-3 and increases of 3.8% for students in grades 4-6 and 1.5% for students in grades 7-12[5] Since then the

[3] In 2018 the operating referendum passed with 77.78% of voters voting yes and the capital projects referendum passed with 71.97% of voters voting yes.

[4] The Basic Revenue Formula is: $basic\ revenue = \sum\ w_g m_g f$ where g = the grade in school, w = the weighting for a grade, m = membership and f = formula allowance. The current weightings are 1.0 for grades kindergarten through sixth grade, and 1.2 for grades seven through twelve.

[5] On an inflation adjusted basis the formula allowance peaked in the 02-03 school year for grades 1-12 and the 19-20 school year for kindergartners. The formula allowance for kindergartners used to be much lower because it was still half-day. Had the weighted formula

legislature has increased the formula allowance by 2.0% seven times and 2.5% once. We are forecasting optimistically in our projection an increase of 3.0% for the 23-24 school year, 2.5% for 24-25, 1.5% for 25-26 and 26-27, and 2.0% in the 27-28 school year.

Federal Grants

MPS receives aid from the federal government in the form of grants given through various federal programs: Title I, Title II, and Title IV, among others. We have consistently received about $50 million through these grants for several years. Since these grants are restricted by a federal mandate to "supplement, not supplant every dollar of revenue received has an offsetting dollar of expense that MPS would otherwise not have expended.

MPS has also received millions of dollars in grants through federal coronavirus aid programs: ESSER, ESSER II, ESSER III, and CRF, among others. In total we received just under $250 million, all of which must be spent by the fall of 2024. While these funds are still managed as grants, approved and distributed through the Minnesota Department of Education on behalf of the federal government, and given in the form of reimbursements for costs already incurred, the restrictions on these funds, especially ESSER III, are significantly less than the typical restrictions on federal funds.

As a result of the reduced level of restriction, MPS has been able to use ESSER II and ESSER III to fund continuity of services, this year and last. This has effectively defrayed about $60 million in operating costs every year that would otherwise have been budgeted in the General Fund. We assume that we will continue this funding in FY24, at which point these funds will run out. At this point MPS will no longer have incoming revenue to defray these costs – often referred to as the "fiscal cliff" – and will have to find other funding for expenses currently funded through this revenue stream or significantly reduce expenses. This projection, however, is based on making no changes.

Special Education

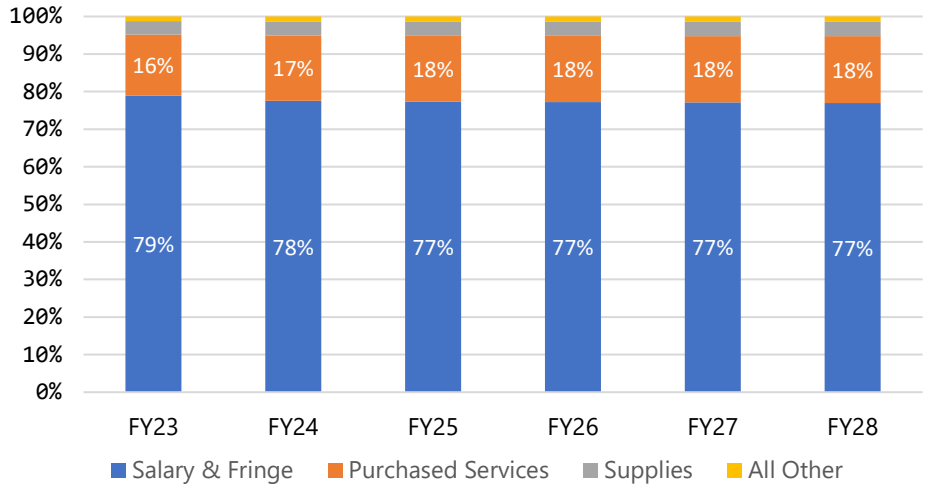
Many of our students require special education services and have Individual Education Programs ("IEPs") that specify the extra services necessary to facilitate learning. This is both a legal requirement imposed on school districts by state and federal law and a moral requirement to which MPS is committed. Unfortunately, despite mandating that these services be provided, neither the state nor federal government has ever fully funded 100% of the cost, and those costs must be paid for using other funding sources. This is known as the "special education cross subsidy" or "special education underfunding", and we continue to assume that this will be unchanged throughout.

Salaries & Other Expenditures

Education is a labor-intensive service and about 80% of the district's general fund expenditures is used to pay staff compensation in the form of salaries, wages, benefits, and payroll taxes. (See exhibit 7). Due to the scope of these items within our overall budget, small changes in our assumptions regarding salaries, wages, and associated expenses can have outsized financial impacts.

allowances kept pace with inflation, the district would have benefitted from an additional $26.8M in general education revenue in the current year.

Figure 5 – Share of general fund expenditures by category.



Our projection is also highly sensitive to inflation. Several models of future inflation exist falling into a few main categories: a return to "normal," sustained but controlled inflation, hyperinflation resulting from a wage/price spiral, and potential deflation.[6] We are assuming that inflation will be sustained but controlled with inflation of 4% in FY24, 3% in FY25, 2% in FY26, and 2.5% in FY27 and FY28.

Salaries & Collective Bargaining

For the purposes of this pro-forma, we assume a 2.5% increase in base costs per year for each union contract. MPS currently has all major labor contracts negotiated and approved through the current fiscal year, with our AFSCME (clerical) and Teamsters (drivers and groundskeepers) contracts settled through FY24, and our SEIU (custodians and food service) contracts settled through FY25.

Table 3 – Projected change in ongoing compensation (salary + fringe) by bargaining unit.

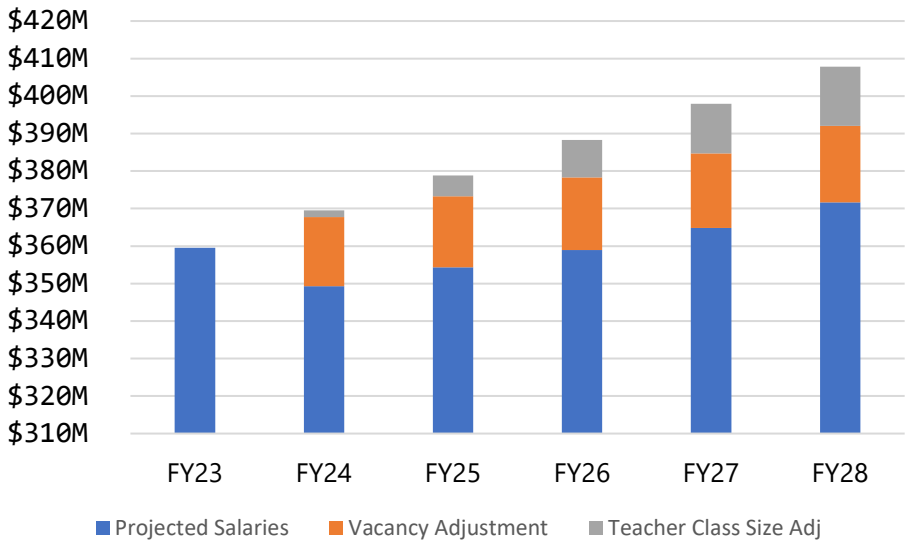
	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Minneapolis Federation of Teachers							
Teachers Chapter	**4.5%**	**3.5%**	2.5%	2.5%	2.5%	2.5%	2.5%
Educational Support Professionals	**8.6%**	**6.1%**	2.5%	2.5%	2.5%	2.5%	2.5%
Minneapolis Principals Forum	**4.7%**	**5.4%**	2.5%	2.5%	2.5%	2.5%	2.5%
Professional Unions (AMP/MACA/MAAS)	**2.0%**	**2.0%**	2.5%	2.5%	2.5%	2.5%	2.5%
AFSCME Local 56	**2.5%**	**3.1%**	**2.2%**	2.5%	2.5%	2.5%	2.5%
Teamsters Local 320							
Drivers	**9.9%**	**0.8%**	**3.2%**	2.5%	2.5%	2.5%	2.5%
Grounds	**4.8%**	**3.4%**	**3.8%**	2.5%	2.5%	2.5%	2.5%
SEIU Local 284							
Custodians	**1.8%**	**12.6%**	**3.2%**	**3.3%**	2.5%	2.5%	2.5%
Food Service	**7.5%**	**7.7%**	**3.0%**	**2.5%**	2.5%	2.5%	2.5%

Additionally, we are including adjustments in our model for future vacancies across all bargaining units, as well as reduced teacher FTEs (full-time equivalents) as fewer teachers are needed to provide services

[6] A good explanation of potential inflation scenarios can be found at https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-the-inflation-outlook-march.pdf

for fewer students (as a result of the enrollment decline). We are assuming a vacancy rate of 5% throughout the model. While we have experienced higher vacancy rates over the most recent two or three years -- often hovering near 10% --we do not expect the current national labor shortage to continue throughout as structural changes in the national economy resolve. Traditionally MPS has experienced vacancy rates closer to 5%. We are assuming that teacher FTE reductions will be in line with the current class size targets used for budgeting.

Figure 6 – Projected salaries with adjustments



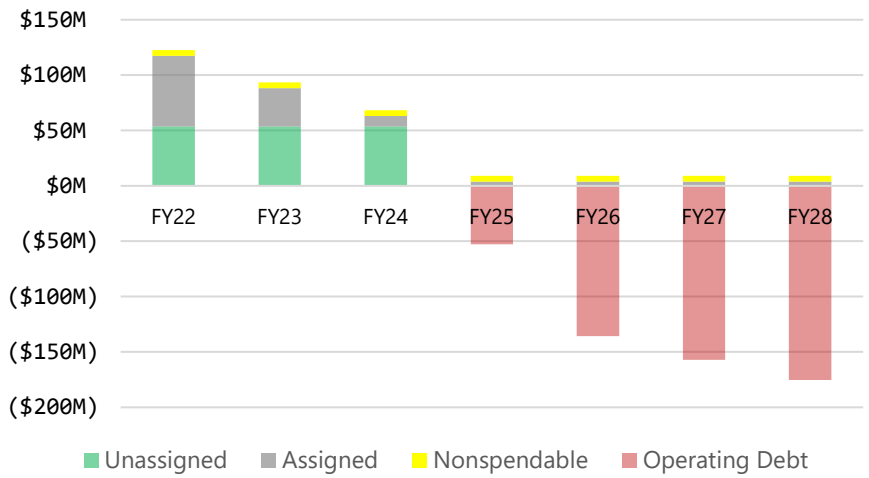
Unadjusted, our model anticipates a compound annual growth rate (CAGR)[7] for salaries and wages of 2.6%. That means that, without adjusting for vacancies or lower enrollment, our model would project salaries and wages to increase, on average, by 2.6% annually. Adjusting for these items reduces the CAGR to 0.7%. These adjustments to projected salaries and wages also translate into proportionally equivalent adjustments to projected fringe costs such as health insurance and payroll taxes.

Projection

Our model anticipates deficit spending that will fully deplete the General Fund Balance at some point in FY25. MPS would then be forced to take on operating debt to sustain its current operations. At that point, MPS would be declared to be in statutory operating debt, likely at the end of FY25, and required to submit a plan to the Commissioner of Education leading to solvency.

[7] The Compound Annual Growth Rate, or "CAGR" is the average annual rate of growth over several years and is found using $CAGR = \left(\frac{ending\ value}{starting\ value}\right)^{(1/t)} - 1$ where t is equal to the number of years in the time period.

Figure 7 – Projected General Fund balance by year.

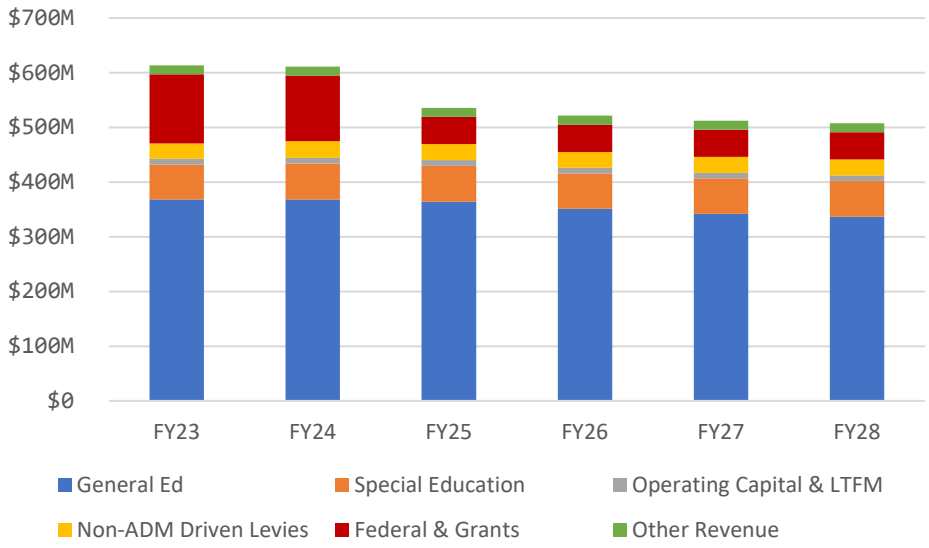


Revenue

Our model projects steadily declining revenue over the next five years interrupted by a sharp decline in revenues in FY25. Steady erosion in revenue results from steadily falling enrollment as MPS is impacted by the effect of families leaving the city. While the impact of falling enrollment is partially offset by anticipated increases in the funding formula amount, we do not anticipate that the rate of increase for the formula will be sufficient to offset enrollment declines.

The sharp and sudden loss of federal revenue in FY25 results from the end of the ESSER III COVID Emergency funding from the federal government. This will reduce the amount of federal funding available for general use by $70 million, or about 58%. Visually, the decline in federal revenue (*Figure 8* – red bars) is sudden and stark.

Figure 8 – General Fund revenue by source.



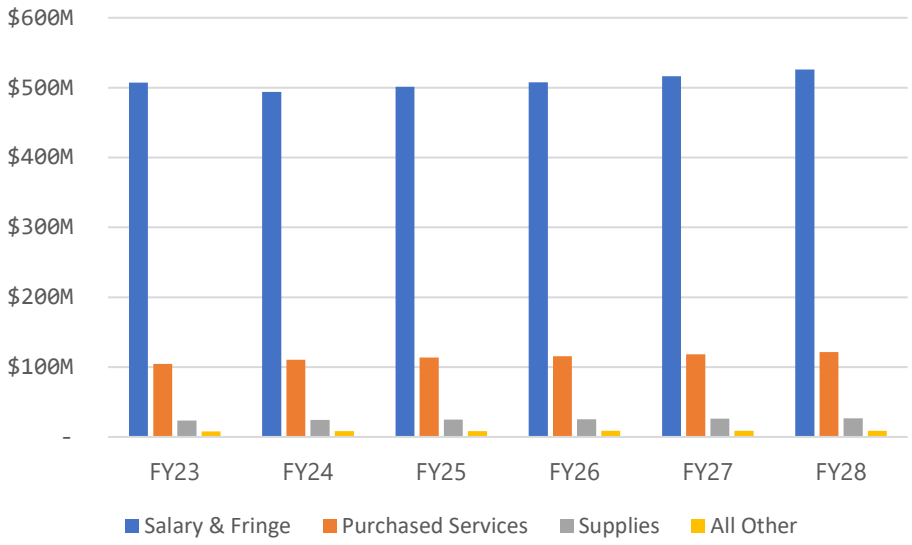
On average, we anticipate total General Fund revenue to decline by 3.7% per year, which is driven by an average decline of 1.8% annually in membership driven (per pupil) revenue, average decline of 16.9% in

federal grants and levies (almost entirely attributable to the 58% decline in FY25), and negligible changes in other revenue streams.

Expenditures

As previously noted, MPS's cost structure is dominated by wages, salaries and associated fringe. (Figure 9) The projection assumes overall compound annual growth of salaries and wages of 0.6% annually. However, this growth rate includes vacancies and projected reductions in force tied to membership. Over the entire period of the projection a CAGR of 1.0% is projected.

Figure 9 – General Fund expenditures by object.



Conclusion: The Status Quo is Not Sustainable

The primary lesson of the status-quo projection is that the status-quo is not only financially undesirable but is financially infeasible. Structural change is both necessary and inevitable and the time to effect this change is running short. Doing nothing to address the systemic fiscal issues faced by MPS is not an option. While we have delayed the district's arrival at the fiscal cliff thanks to the COVID-19 federal aid, but time is running out. That funding is ending, and the cliff is nearing. Without significant changes, MPS will run out of money during the 2024-2025 school year and be unable to operate as it does now.

Strategic Plan Alignment

At its February 8 business meeting, the Board of Education approved a new MPS strategic plan. The plan addressed several district shortcomings in both academic performance and culture, with a stated mission that "Minneapolis Public Schools exist to provide a high quality, anti-racist, culturally responsive education for every Minneapolis student."

Addressing Learning Loss

During the pandemic, MPS students experienced significant declines in academic proficiency. Before further academic strategies can be applied, the district must address these declines just to get students

back to where they were pre-pandemic. MPS can do this by intentionally investing in strategies that accelerate the closing of skill and knowledge gaps.

MPS has already committed $3 million to implement preliminary academic "boosts" and invest in a system to provide online tutoring services to students and tutoring tracking services. However, additional investments will almost certainly be necessary.

High dosage tutoring is a proven and effective approach to improving student achievement and is being implemented successfully in other districts.[8] However, it is an extremely labor-intensive approach, requiring an army of trained educators to serve as tutors in positions that are ultimately temporary. The cost to properly implement such a program may simply be beyond the district's appetite to commit funds.[9]

MPS can also respond to pandemic-related learning loss by deploying instructional coaches to schools where core instruction is not providing a majority of students with what they need to be proficient.

Goal One: Academic Achievement

At its core, the strategic plan addresses improving academic achievement across the district by implementing multiple strategies:

- Providing standards-based core instruction, focusing on literacy and mathematics, through aggressive review and, as necessary, replacement of curriculum in multiple content areas, professional development to staff, and a clearly articulated core content sequence.
- Ensuring that all district curriculum and instructional practices are antiracist, responsive to, and sustaining of the cultures, languages and experiences of our students. Finalizing equity competencies, using those equity competencies to create a district-wide review process for curriculum, resources and materials, and then offering professional development to give educators the tools to determine the appropriateness of any texts being used in their classes.
- Making sure that all students in community schools have access to STEM, music, art and language classes, and that all high school students have access to ethnic studies and college credit courses.
- Establishing Professional Learning Communities, or PLCs, to guarantee that of the needs of our students are being met through a system of academic support and intervention.
- Building magnet school pathways that offer innovative thematic instruction and integrated learning opportunities. Making sure that our magnet schools have a full K-12 pathway, that they are theme based, with coherent curriculum and ongoing training for their staff.

[8] See https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/HighDosageTutoringGuidance.pdf for a description of high dosage tutoring.

[9] The Edunomics Lab at Georgetown University has an online calculator (https://edunomicslab.org/calculator/) that uses assessment data to estimate the cost of mitigating learning loss through high dosage tutoring. Their analysis indicates that district students lost on average 17 weeks of math and 14 weeks of reading, with an estimated cost to remedy this learning loss of $46,576,708 for math and $25,005,749 for reading – a total of $71.6 million.

In order to implement these strategies, MPS must make sure several conditions are first met, as these strategies must have a sound foundation if they are to be successful. These conditions include efforts such as making sure all schools follow an appropriate calendar and are staffed appropriately, magnet pathways are clearly defined, and systems of accountability for low performing staff are strengthened.[10]

The cost of meeting these conditions and implementing these strategies will be significant. Significant commitments will be needed in additional personnel to recruit and hire staff and hold current staff accountable. Considerable funding will need to be devoted to providing professional development to staff as well as paying those staff to participate if extra time is needed. Large investments will be necessary to assess, develop, pilot, and adopt new curriculum.

Goal 2: Student Wellbeing

It is important that every student's physical and mental wellbeing is addressed as an integral part of their education. Strategies for addressing these needs include:

- Serving the mental health needs of our students are supported by assigning every district site a mental health support specialist, recruiting mental health professionals that represent students and families, and placing a licensed alcohol and drug counselor in every middle and high school
- Sustaining student mental health by providing equitable student access to culturally responsive counseling and mental health services. Anticipating the mental health needs of our students through resource mapping and gap analysis. Defining the role of staff and contracted agencies to make sure these needs are being met. Recruiting mental health professionals that can provide inclusive and representative services to students and families.
- Implementing a restorative approach to student support. Phasing in restorative practices training, such as that currently being provided at 6 middle schools by the Legal Rights Center, across the district, and proactively creating and utilizing restorative activities for classrooms, small groups and individuals.
- Integrating social and emotional practices into all classrooms and out-of-school-time activities. Expanding professional development opportunities for staff to learn, apply and model the use of SEL skills.
- Protect our students in a physically safe and welcoming school environment that is clean and well maintained. Strategically shortening walk-zones and diligently maintaining strong emergency management practices.
- Supporting health child development through nutritious meals and promoting physical activity.

These strategies rely on MPS being able to fill all its student-facing positions, from mental health specialists, custodians, and bus drivers to those staffing our after-school enrichment programming. This will require material levels of investment. Additionally, the strategic plan rests on being able to fill all budgeted positions and keep them filled consistently, which will impair management's option to leverage unfilled positions as a means of short-term cost control. It may also require district subsidies for programs that today cover their own expenses through revenue, such as food service and after-school programming.

[10] The full grid of necessary conditions and the strategies that are built on them can be found in the appendices.

Goal 3: Effective Staff

The third goal of MPS's strategic plan is concerned with making sure all staff, whether working in schools or out, approach all work centered on students and equity. Strengthening the districts pathways programs to reduce barriers for talented and diverse district employees and potential employees to enter the teaching profession, and deepening the district's strategic recruitment of high quality, diverse teachers and staff.

Central to Goal 3 is a collective bargaining strategy that prioritizes staffing flexibility. The district needs the tools to equitably recruit, hire and retain high-quality, diverse teachers and staff. The potential fiscal impact of this strategy is substantial.

Goal 4: School & District Climate

To deliver on its mission, MPS must be known by our community as welcoming, responsive and connected. Equity competencies must inform hiring and retention practices and be embedded into performance management and professional development systems. Board policies regarding site councils must be implemented with fidelity. And opportunities to engage with stakeholders, including students, parents, and the community, must be supported.

Analysis

The cost of successfully implementing the strategic plan is going to be substantial. Personnel must be recruited and hired, curriculum must be assessed and replaced, and major contractual hurdles must be overcome. How can a district that is already facing an impending fiscal crisis expect to invest in itself with fidelity?

The status quo projection is useful as a tool as MPS and its leaders think about how to deploy resources over the next several years. Any comprehensive strategic approach to improvement must necessarily address the financial sustainability of current and proposed cost structures. As an institution that has a legal and moral obligation to the children of Minneapolis, Minneapolis Public Schools must examine all expenditures to determine whether they are aligned with the strategic plan.

Impending loss of incremental federal COVID funds.

As revenue has declined, inflation has eroded the buying power of that revenue, and salaries have skyrocketed (see Table 3), MPS has maintained solvency and balanced budgets using federal COVID-19 relief funds. These funds will no longer be available after fiscal year 2024, which will create a sudden and significant decrease in revenue.

As an urban district with rapidly falling enrollment, MPS has been allowed to continue operating in an overly burdened and inefficient cost structure due to the influx of federal COVID-19 funding. Those funds have also masked the continual unfavorable impact on revenue that falling enrollment has caused. While district expenditures are projected to increase by an average of only 1% annually due to generous vacancy assumptions and significant reductions in force tied to membership, district revenue *without*

federal COVID-19 funding included is projected to *decrease* by 1.3% annually because of falling membership.

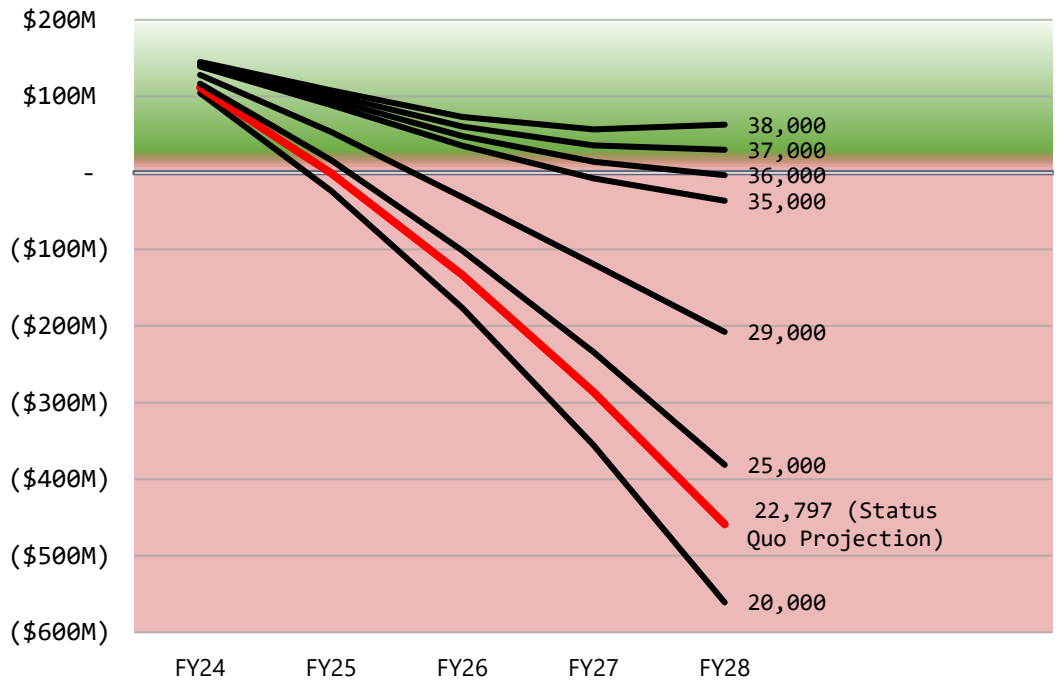
Findings & Conclusions

Using the pro-forma projection model, we can make some very clear findings and conclusions about the financial position of the district.

Enrollment Increases alone are not enough.

We reiterate our previous finding that MPS should not expect enrollment increases alone to solve fiscal problems. Modeling the current district cost structure but varying the enrollment assumptions, we can examine the outcomes of varying enrollment scenarios. Figure 10 shows the total General Fund balance if we alter our assumption to assume constant growth to a certain enrollment target. Each line represents a different growth trajectory where the final enrollment in fiscal year 2028 and is indicated by the label to the right of each line. Lines that dip into the red-shaded portion of the chart represent growth trajectories that put MPS in statutory operating debt. Lines that stay in the green-shaded portion represent trajectories in which MPS remains solvent.

Figure 10 - General Fund balance over five-year period given varying rates of constant enrollment growth and status quo cost structure. The label indicates the enrollment in the final year of the model. The green area represents a positive fund balance while the red area indicates a negative fund balance



Additionally, MPS must remain in compliance with Board of Education Policy 3700, which directs us to take steps to maintain an unassigned General Fund balance of no less than 8% of expenditures. Unassigned fund balance is the total of past funds received but not expended, in liquid form, which are not otherwise committed by the district or restricted by statute.

The unassigned fund balance is an important indicator of a district's overall financial health. MPS must maintain this level of savings so that it has the flexibility to respond to unforeseen financial challenges or hardships such as a state government shutdown, a property tax shift, or any other unforeseen event which may temporarily disrupt cash flow. An unassigned fund balance of 8% would give the district enough cash to operate for about four to six weeks without receiving any outside payments. Without a healthy unassigned fund balance the district would essentially be "living paycheck to paycheck."

The Unassigned General Fund balance is measured for compliance purposes using its value at the end of the fiscal year. This is the part of the year when the unassigned fund balance tends to be at its highest, as all revenue has either been received and receivables booked.[11] During the school year the unassigned fund balance often falls below the threshold of 8% as the district pays expenditures for costs incurred for which the revenue has not yet been received, as tax payments and state aid tend to lag behind expenditures, and some revenue such as federal Title funding and many grants are paid explicitly as reimbursements for costs already incurred. In this sense, the unassigned fund balance acts as the district's working capital, the operating liquidity that guarantees employees and vendors are paid on time.

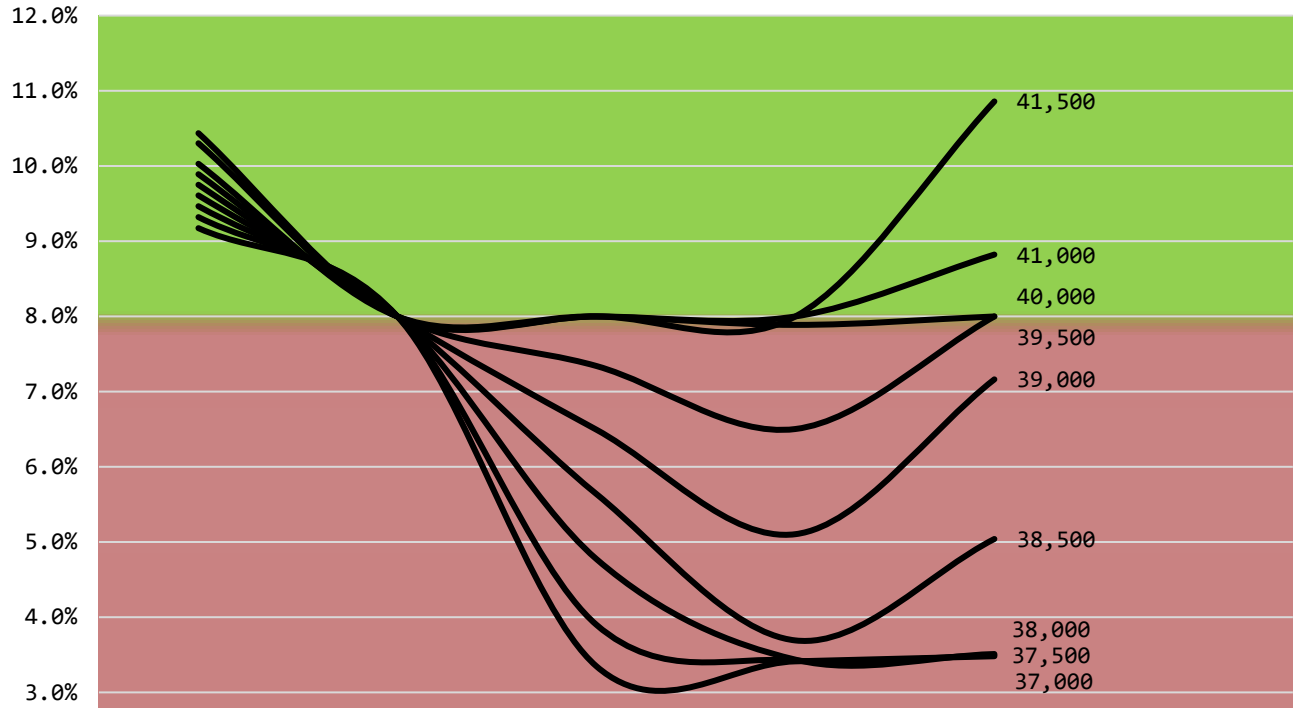
Figure 11 charts projected compliance with minimum unassigned fund balance policy even with enrollment growth resulting in FY28 membership levels as indicated. Although we see immediate drops in unassigned fund balance as a percent of expenditures as MPS adjusts to the loss of federal emergency funds in FY25 and FY26, we see a rebound in fund balance projected in a scenario in which the district experiences constant growth resulting in membership of about 38,500 or more, and continued compliance with board policy in scenarios where constant growth results in membership of 40,000 or more.

This makes sense. MPS as constructed (financially) is built to service about 40,000 students. In 2009 when the district went through its most recent round of "right sizing," enrollment had stabilized at around 35,000. However, in that year MPS also enjoyed slightly higher per pupil funding when adjusted for inflation for grades 1 - 12, the City of Minneapolis enjoyed brighter prospects in terms of livability, and

[11] The end of the year fund balance may include the value of cash payments for the fiscal year that is ending that have not yet been received, as under the modified accrual basis of accounting the district creates receivables for funds that may not have been collected or paid but will be in sufficient time that they can be used to pay expenditures incurred in the fiscal year that is ending.

the last decade of wage growth, relatively high in terms of inflation and state funding, had not yet occurred.[12] Had membership held at the 35,000 level, as it did until 2018, MPS would likely still be feeling financial pressure, but it would be unlikely that the state of crisis that exists now would have materialized.

Figure 11 – General Fund unassigned fund balance shown as a percentage of annual expenditures given varying rates of constant enrollment growth and status quo cost structure. The label indicates the enrollment in the final year of the model. The green area indicates that the unassigned fund balance is within board policy.



MPS's fund balance is also watched closely by buyers and sellers in the municipal bonds market, and the agencies that issue credit ratings for the districts pay close attention. Through careful, conservative management MPS has maintained a high, investment grade bond rating, providing the district access to capital as cheaply as possible. Should the bond rating fall, the cost of capital could increase significantly, and as Standard & Poor's noted in their most recent rating memo, "if reserves are reduced with no immediate replenishment planned, the rating would be pressured."

Knowing that enrollment must hit at least 40,000 for the district to both remain solvent and maintain necessary reserves, it is safe to say that enrollment is not the path out of MPS's impending fiscal crisis. Although there are just under 50,000 school age children residing in the city, historically about 5,000 of those students have attended private schools. It is not realistic to expect the district to increase its share in the market to that level in time.

[12] Even then, the district was forced to implement relatively disruptive budget cuts at some points. The district also went through a major reorganization with the Comprehensive District Design (CDD), but the CDD was designed not to "right-size" the district but to actually increase enrollment over time, and the overall capacity of the district was not affected.

Sustainable Cost Structures

While many districts in the state are struggling to keep their finances in order, Minneapolis Public Schools belongs to a small group of districts where the fiscal situation seems to be extra bleak. While Minneapolis is doing many things right, other districts are in a much better position to continue providing a safe and stable learning environment for the children in their district.

Comparisons with other large districts.

It is worth examining how MPS's cost structure differs from other large districts in the state.

Operating Expenditures

Minneapolis Public Schools has higher-than-average operating costs on a per student basis when compared to the other 14 districts that compose the 15 largest districts in the state.[13] The discrepancy is especially apparent in Regular Instruction, Special Education, Pupil Support Services, District Level

Table 4 – FY21 per student operating costs.

	Minneapolis	Other Top 15	Variance	Potential
District Level Administration	$968	$578	$390	$12,517K
School Level Administration	$566	$593	($27)	($862K)
Regular Instruction	$7,883	$6,328	$1,556	$49,976K
Career & Technical Instruction	$148	$197	($50)	($1,600K)
Special Education	$3,737	$2,831	$906	$29,123K
Student Activities & Athletics	$125	$224	($99)	($3,181K)
Instructional Support Services	$1,151	$941	$210	$6,744K
Pupil Support Services	$1,200	$543	$658	$21,128K
Operation Maintenance & Other	$1,295	$1,028	$267	$8,590K
Student Transportation	$803	$714	$89	$2,860K
Total Expenditures/ADM Served	**$17,876**	**$13,976**	**$3,900**	**$125,295K**

Source: Minnesota Department of Education

Administration, and Operation Maintenance. *Table 4* breaks out per-student operating costs by program for Minneapolis as well as the other schools in the Top 15 districts.[14]

While Minneapolis Public Schools spent $17,876 per ADM in fiscal year 2021, on average the other top 15 districts spent only $13,976. Multiplied by the district's 20-21 enrollment of 32,127, this suggests that if per-student spending could have been reduced to match the per-student expenditures of other large districts, MPS's costs would have been reduced by $125.3 million in fiscal year 2021. The "Potential" column in Table 4 breaks out this calculation by program area. Clearly, the biggest areas of inefficiency

[13] The top 15 districts in the state, based on enrollment, are, from largest to smallest: Anoka-Hennepin, Saint Paul, Minneapolis, Rosemount-Apple Valley, Osseo, South Washington County, Rochester, Elk River, Wayzata, Mounds View, Lakeville, Robbinsdale, Minnetonka, North Saint Paul-Maplewood-Oakdale, and Bloomington.

[14] "District Level Administration" for MPS includes approximately $3M in Covid-related technology spending and $3M in Other Post Employment Benefits that other districts may record differently or not at all.

in terms of total dollars are in regular education and special education. The primary reason for this has to do with the ratio of students to teachers in those programs.

Student to Staff Ratio

The ratio of students to licensed staff is the largest driver of higher-than-average expenses faced by the district. MPS employs one licensed staff member[15] for every 9.6 students in the district (*Table 5*), whereas the other districts in the Top 15 employ one staff member for every 12.5 students, and the statewide average for all districts is 12.3 students for every licensed staff member.[16] For instructional staff (teachers in a student-facing role), Minneapolis employs one licensed teacher for every 13 students whereas the average ratio for the other Top 15 districts is 16.1 students per licensed teacher.

Table 5 – Selected school district statistics from Fiscal Year 20-21

	Minneapolis	Other Top 15	State Avg.
Student to Staff Ratios			
Students per licensed staff	9.6	12.5	12.3
Students per licensed instructional staff	13.0	16.1	15.4
Student Characteristics			
Free & Reduced Lunch %	53.5%	27.3%	32.1%
Special Education %	16.9%	15.3%	16.3%
Limited English Proficiency %	17.3%	8.9%	8.5%

Source: Minnesota Department of Education

Minneapolis Public Schools is the largest employer of licensed teachers in the state, despite being the third largest student population in the state.[17] The other districts service 30% more students than Minneapolis with a single licensed staff member, so only need about 77% as many staff members as Minneapolis to service the same number of students.[18] If the calculation is restricted to instructional staff only, they would need about 80% as many staff members as Minneapolis.[19] Therefore, if Minneapolis could increase its student to staff ratio to be in par with the state's other large districts, it could expect to save around $50.3 million annually.[20]

[15] In the context of school districts, "licensed" refers to an employee who is licensed by the Minnesota Department of Education and serving in a teaching, principal, or superintendent role. It does not count employees who may maintain an active license but are not employed in a role requiring licensure.

[16] Statewide numbers are for all public K-12 education institutions, including charters and other non-traditional districts.

[17] It is highly probable the Rosemount-Apple Valley will surpass Minneapolis as the state's third largest district in the current school year.

[18] If another district can service 13 students with a single staff member, then they can support 10 students with 10/13 of a staff member. 10 ÷ 13 = 0.7692 = 76.92%.

[19] 13.0 ÷ 16.1 = 0.8075 = 81.1%

[20] ADM used by MDE for these calculations is 32,126.91. The formula to calculate the amount of savings is:

$$savings = \frac{ADM}{Ratio_{District}} \left(\frac{Ratio_{District}}{Ratio_{Average}} - 1\right) \times Average\ Salary = \frac{32{,}196}{13.0}\left(\frac{13.0}{16.1} - 1\right) \times \$105{,}560 = (\$50{,}278{,}201)$$

Number and Size of Schools

Table 6 shows the number of elementary, middle and high schools operated by the five largest districts in the State of Minnesota as well as the average size of those schools. The two districts on this table with the highest number of schools and lowest average school sizes are the two school districts that have been under the most financial pressure in recent years (MPS and Saint Paul).[21] A large number of small schools fail to capture economies of scale for many reasons: the likelihood of classes being filled to optimal levels decreases when students are more dispersed, redundant positions such as administration, office staff and specialists need to exist, more custodial staff are needed to service multiple facilities, transportation costs increase as students must be transported to more places, etc. In short, districts that are feeling less financial pressure are those districts where schools are larger, more efficient, and able to serve each student at a lower cost per student.

Table 6 - Number and Size of Schools in Large MN Districts

	Anoka-Hennepin	**Saint Paul**	**Minneapolis**	**Rosemount-Apple Valley**	**Osseo**
Elementary School	26	42	43	19	17
Middle School	6	7	8	6	4
High School	5	5	10	5	3
Secondary School	0	4	0	0	0
Total Schools	37	58	61	30	24
Schools Serving Grades K-5					
10/1/2021 Count	15,646	14,990	13,640	12,463	8,897
Avg School Size	602	357	317	656	523
Schools Serving Grades 6-12					
10/1/2021 Count	21,706	17,400	15,613	16,253	11,134
Avg School Size	1,973	1,088	867	1,478	1,591

Risks

Short-Term

MPS faces short-term and long-term risks, some of which are noted below. Short-term risks are those that have a sudden and unplanned impact on the financial position of the district. While they are referred to as 'short-term' for these purposes, the impact of certain events can also have long-term consequences.

MPS may be unable to maintain its special education maintenance of effort threshold.

By statute, MPS must spend the same or more on Special Education every year. This rule is enforced by the Minnesota Department of Education. Although MPS spends more per pupil than other districts and supplements the federal and state special education aid out of its general fund by about $50 million, if it underspends previous years the amount of the underspending will be "recovered" by the state. This

[21] Saint Paul public schools also has higher than average student to staff ratios, with the instructional staff ratio being one staff for every 14.9 students.

means that special education cannot be used as an area for cost savings, even if inefficiencies are found, and that if it does underspend (because of a tight labor market, for example) its cross-subsidy will be increased by the amount of underspending.

Inflation may cripple the MPS's ability to be a nimble decisionmaker.
Resulting from recent macroeconomic trends largely influenced by the COVID-19 pandemic, the United States is currently experiencing its highest level of inflation since 1983. Every point of additional inflation reduces MPS's purchasing power and reduces the competitiveness of its collective bargaining agreements. Since revenue is almost entirely dependent upon the will of the legislature, and state budgets are only prepared every two years, the lag time between inflationary periods and revenue increases can be significant. Combined, these factors hinder the district's ability to respond quickly to unplanned events.

MPS is subject to political risk.
MPS is a government entity controlled by a publicly elected board. As such, MPS may make decisions that have unexpected and material impacts on the district's financial position. Additionally, the district receives most of its revenue from the State of Minnesota, which is controlled by elected officials. Not only might political actors at the local, state, or national levels make decisions that materially impact MPS's revenue, but they may also make changes, mandates, or engage in other political decision-making that alters the way in which the district may spend money.

Long-Term

Some additional risks can have long-term negative consequences on the MPS's financial position or the district's ability to execute on its strategic plan.

MPS may continue to experience enrollment declines.
District enrollment has been falling for close to a decade. Some of this decline is due to a perceived lack in the quality of the district's product offerings, but a larger cause is likely due to emigration by families with children out of the City of Minneapolis. While the quality issues perceived by much of the general public may be responsible for some of the negative net migration, a significant portion is caused by real or imagined increases in crime, poor provision of police service, and increasing housing costs. Such causes are out of the district's control and MPS must accommodate such demographic changes.

MPS may be unable to recruit and maintain staff.
In times of low unemployment, the district is constrained in its ability to respond to market conditions by collective bargaining agreements it has entered into with the multiple unions and bargaining units that represent its workforce. Chronic inability to hire qualified staff can have a long-term negative impact on product quality and the district's ability to execute its strategic plan.

MPS may find itself locked into unsustainable long-term contracts.
The district must often enter into multi-year contracts that carry with them significant expense, including collective bargaining agreements. Collective bargaining contracts especially are hard to renegotiate with a favorable result for the district's financial position. Additionally, for reasons outside of the financial

decision-making process MPS may be locked into contracts that are not economically competitive or may find itself unable to pay obligations to which it has agreed.

The demographics of the City of Minneapolis might change.
MPS exists "to furnish school facilities to every child of school age residing in any part of the district"[22]. As such, the district largely reflects the demographics and values of the residents of the district. Sudden or unexpected demographic shifts, such as a large influx or outflow of children, may result in the district finding itself unprepared to deliver on this mission. As a result, it may find itself over- or under-invested in certain areas or at certain educational levels that may drive inefficient emergency spending or force major changes to its strategic plan.

MPS may be unable to sustain its credit-rating, or the municipal bond market may be disrupted, or interest rates may rise to unsustainable levels.
MPS owns several large, old maintenance intensive buildings throughout the city that require ongoing maintenance and care. The district pays for this maintenance by selling municipal bonds on the open financial market. The number and amount of bonds the district is permitted to sell is restricted by statute and board policy, and the quantity of funds that can be secured through these sales is significantly impacted by the rate of interest the district must pay to acquire new debt. These interest rates are influenced by bond ratings issued by firms such as Standard & Poor's, Moody's, and Fitch Ratings, as well as general macroeconomic conditions, Federal Reserve open market operations, and favorable tax treatment of municipal bonds. If the interest rate increases to a level whereby the district is unable to secure enough funds to maintain its buildings and grounds this may negatively impact the district's financial position or impact its ability to execute its strategic plan.

Opportunities

The Strategic Plan may increase enrollment.
MPS's strategic plan is focused on improving academic achievement and student outcomes as well as improving district climate. While the goal of the Strategic Plan is not explicitly to increase enrollment, a likely byproduct of any significant gains against the plan's goals is a more competitive district that may appeal more to families in the district, which may lead to an increase enrollment. Increased enrollment would bring additional revenues and increased fiscal stability.

The state legislature may increase the district's funding.
MPS's funding is predominantly determined by the state legislature, both in the amount of state aid provided as well as the levy authority granted to the school board. For any number of reasons the state legislature may choose to increase the amount of state aid provided, or may choose to more fully fund special education, or may increase the school board's levy authority.

Conclusion

Minneapolis Public Schools – Special School District #1 – is probably the most important government institution in the City of Minneapolis. As an institution it is charged with guaranteeing that all children

[22] (Minn. Stat. § 123B.02)

living in the city are given the basic tools and knowledge necessary to be productive members of society and live fulfilling lives. The Minneapolis Public Schools cannot afford to fail.

For several years, the Budget Office has been warning district leaders, the Board of Education, and the community that MPS's financial position is threatened. Six thousand students have left. The community has struggled, traumatized by social unrest, rising crime and rising rents, all in the face of a massive global pandemic that set learning back significantly for many of our students.

MPS faces a two-fold challenge: implementing an ambitious strategic plan to improve the district for the children it serves, while at the same time facing a fiscal crisis that challenges the adults who serve it.,

Appendix 1 – General Fund Projection

	Adjusted Pro-Forma (Status Quo) – 000's of $						
	Budget FY23	**Forecast FY23**	**Projection FY24**	**Projection FY25**	**Projection FY26**	**Projection FY27**	**Projection FY28**
Property Tax Levy	132,436	132,436	133,704	133,330	129,116	127,045	125,697
General Ed Aid	281,451	274,670	275,430	270,850	261,207	254,034	250,090
Special Ed Aid	70,808	77,924	75,439	69,242	66,447	66,616	67,252
Federal Revenue	123,200	126,200	120,200	50,000	50,000	50,000	50,000
All Other	16,482	16,482	16,482	16,482	16,482	16,482	16,482
Total Revenue	**624,376**	**627,712**	**621,255**	**539,905**	**523,252**	**514,177**	**509,521**
Salaries & Wages	357,914	359,508	349,275	354,312	358,933	364,848	371,630
Extended Time	13,837	14,993	15,411	15,799	16,192	16,596	17,010
Fringe	131,839	132,583	128,987	130,883	132,629	134,844	137,372
Purchased Services	111,355	104,606	110,496	113,810	115,574	118,470	121,438
Supplies	20,778	23,227	24,157	24,881	25,379	26,013	26,664
Equipment	150	541	563	579	591	606	621
Miscellaneous	6,886	7,302	7,594	7,822	7,979	8,178	8,383
Total Expenses	**642,759**	**642,760**	**636,482**	**648,086**	**657,278**	**669,555**	**683,117**
Net FB Change	**(18,383)**	**(15,048)**	**(15,227)**	**(108,182)**	**(134,026)**	**(155,378)**	**(173,596)**
Starting Fund Balance	146,954	146,954	131,906	116,678	8,497	(125,529)	(280,908)
Ending Fund Balance	**128,571**	**131,906**	**116,678**	**8,497**	**(125,529)**	**(280,908)**	**(454,503)**

Appendix 2 - Revenue

Fall 2023 Pro-Forma Revenue Projection (Status Quo)
000's of $

	FY23B	FY23F	FY24	FY25	FY26	FY27	FY28	
General Education Aid								
Basic Revenue (Formula)	207,105	201,124	207,753	203,176	195,299	190,338	187,707	2% Baseline formula growth w/adj
Extended Time	7,372	7,372	6,065	5,931	5,701	5,556	5,479	Trended on APU
Declining Enrollment	5,374	7,049	1,086	2,736	3,059	2,209	1,803	30% of YOY APU decline at Formula
Pension Adjustment	4,783	4,783	5,059	4,965	4,861	4,787	4,727	
Gifted/Talented	392	381	382	365	345	331	320	$13/PU
Compensatory Education	34,081	34,081	37,330	36,436	35,300	34,674	34,295	Increasing concentration
ELL Revenue	2,605	2,605	2,471	2,361	2,239	2,153	2,086	Trended on APU
ELL Concentration Revenue	925	925	878	838	795	765	741	"
ELL Cross Subsidy Reduction Aid	126	126	118	112	107	102	99	
Alternative Attendance	115	115	150	149	149	149	149	Per Levy Cert Report
Local Optional (Aid)	12	12	-	-	-	-	-	Not expected to continue qualifying
Q-Comp	5,509	5,509	4,776	4,577	4,372	4,147	3,987	Formula based
Integration Aid	11,453	8,989	8,906	8,704	8,481	8,322	8,196	"
Literacy	1,600	1,600	-	-	-	-	-	
Nonpublic Transportation	-	-	456	500	500	500	500	
Subtotal General Education Aid	**281,451**	**274,670**	**275,430**	**270,850**	**261,207**	**254,034**	**250,090**	
Special Education Aid								
Initial Aid	77,872	46,170	45,324	43,244	40,953	39,323	38,019	
Net Tuition Adjustment	(38,290)	(13,885)	(14,687)	(16,749)	(19,124)	(20,892)	(22,372)	Increasing as students move OOD
Excess Cost Aid	15,801	14,106	13,848	13,212	12,512	12,014	11,616	
Transportation Aid		28,439	27,918	26,637	25,226	24,222	23,419	
Hold Harmless/Growth Limit	11,713	-	-	-	4,136	9,314	14,023	
Cross Subsidy Reduction Aid	3,712	3,094	3,037	2,897	2,744	2,635	2,547	
Subtotal Special Education Aid	**70,808**	**77,924**	**75,439**	**69,242**	**66,447**	**66,616**	**67,252**	
Property Tax Levy								
Operating Capital	7,044	6,841	6,845	6,562	6,244	6,023	5,851	
Local Optional Tier 1	9,048	9,048	8,817	8,412	7,967	7,650	7,396	
Local Optional Tier 2	12,788	12,157	12,461	11,890	11,260	10,811	10,453	
Referendum (Approved)	59,438	57,721	64,893	63,080	61,152	-	-	Renews in FY27
Referendum (Renewal)	-	-	-	-	-	60,163	59,586	Assumes voter approved renewal
Transition Revenue	5,647	5,484	5,499	5,247	4,969	4,771	4,613	
Equity Revenue	1,509	1,465	1,469	1,402	1,328	1,275	1,233	
Q-Comp	3,010	3,010	2,662	2,551	2,437	2,312	2,223	
Integration Levy	4,254	3,869	3,833	3,746	3,650	3,582	3,527	Unadj - adj at bottom
Reemployment	430	-	1,699	430	430	430	430	Includes Adj
Safe Schools	1,086	1,078	1,058	1,009	956	918	888	
Judgements	392	100	-	-	-	-	-	
Career & Tech Ed	846	846	880	1,217	1,261	1,307	1,354	Increase due to CTE Center (1 yr lag)
Other Postemployment Benefits	-	-	-	-	-	-	-	
Long Term Facilities Maintenance	3,446	3,446	3,584	3,727	3,876	4,031	4,192	Inflationary Adj
Disabled Access	300	300	300	300	300	300	300	
Lease Levy	433	433	638	644	-	-	-	Non-renewal at MCTC and 800 WB
MERF/TRA	7,088	7,088	7,088	7,088	7,088	7,088	7,088	
Capital Projects Referendum (Tech Levy)	15,678	15,678	15,849	16,023	16,198	-	-	2.249% of NTC
Capital Projects Referendum Renewal	-	-	-	-	-	16,383	16,562	Assume parameters unchanged
Adjustments	-	3,873	(3,873)					FY23 adjustments levied in FY24
Subtotal Levy	**132,436**	**132,436**	**133,704**	**133,330**	**129,116**	**127,045**	**125,697**	
Federal Revenue & Grants								
ESSER III General Use	57,300	60,300	54,300					
ESSER III Learning Loss	15,900	15,900	15,900					
Title I	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Title II								
Title III								
Title IV								
State & Local Grants								
Private Grants								
Subtotal Federal & Grants	123,200	126,200	120,200	50,000	50,000	50,000	50,000	
Other Revenue								
Investment Earnings	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
eRate Rebate	500	500	500	500	500	500	500	
Contract Alternatives	3,982	3,982	3,982	3,982	3,982	3,982	3,982	
Funded Programs	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Adjustments								
Subtotal Other Revenue	**16,482**	**16,482**	**16,482**	**16,482**	**16,482**	**16,482**	**16,482**	
TOTAL GENERAL FUND REVENUE	**624,376**	**627,712**	**621,255**	**539,905**	**523,252**	**514,177**	**509,521**	

Appendix 3 – Enrollment

Average Daily Membership

Grade Level	PU Mult	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Prelim FY22	Forecast FY23	Projected FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28
E	1.0	427.5	423.0	406.9	334.4	334.7	332	300	332	332	332	332
VPK	1.0	198.1	187.6	198.6	256.3	112.8	185	97	185	185	185	185
K	1.0	2933.4	2898.1	2934.5	2419.6	2505.9	2232	2232	2232	2232	2232	2232
1	1.0	2863.2	2830.9	2792.6	2647.0	2271.0	2350	2200	2107	2096	2117	2122
2	1.0	2857.7	2685.0	2722.9	2528.8	2353.8	2124	2230	2041	1938	1935	1972
3	1.0	2889.7	2726.7	2564.1	2483.6	2250.7	2212	2080	2082	1896	1808	1825
4	1.0	2810.6	2706.0	2580.9	2376.9	2221.4	2062	2062	1921	1912	1737	1666
5	1.0	2818.5	2663.1	2573.6	2393.4	2111.1	2069	2002	1924	1785	1777	1631
6	1.0	2560.7	2494.1	2363.9	2227.4	1933.7	1843	1872	1736	1659	1537	1553
7	1.2	2513.5	2465.6	2391.1	2234.9	1921.2	1772	1734	1733	1593	1511	1418
8	1.2	2489.5	2476.7	2401.4	2317.7	2029.1	1810	1750	1657	1648	1508	1445
9	1.2	2442.1	2484.4	2437.1	2448.9	2181.4	2152	2100	1795	1717	1714	1607
10	1.2	2432.6	2336.9	2361.4	2349.7	2284.9	2114	2000	1993	1704	1623	1626
11	1.2	2299.6	2256.2	2145.0	2163.4	2072.8	2078	2120	1848	1845	1580	1523
12	1.2	2484.4	2453.5	2328.2	2211.6	2211.3	2182	2225	2208	1928	1930	1661
Projected ADM		**35021.0**	**34087.8**	**33202.3**	**31393.3**	**28795.8**	**27517**	**27004**	**25794**	**24469**	**23526**	**22797**

Average Pupil Units

Grade Level	PU Mult	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Prelim FY22	Forecast FY23	Projected FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28
E	1.0	427.5	423.0	406.9	334.4	334.7	332	300	332	332	332	332
VPK	1.0	198.1	187.6	198.6	256.3	112.8	185	97	185	185	185	185
K	1.0	2933.4	2898.1	2934.5	2419.6	2505.9	2232	2232	2232	2232	2232	2232
1	1.0	2863.2	2830.9	2792.6	2647.0	2271.0	2350	2200	2107	2096	2117	2122
2	1.0	2857.7	2685.0	2722.9	2528.8	2353.8	2124	2230	2041	1938	1935	1972
3	1.0	2889.7	2726.7	2564.1	2483.6	2250.7	2212	2080	2082	1896	1808	1825
4	1.0	2810.6	2706.0	2580.9	2376.9	2221.4	2062	2062	1921	1912	1737	1666
5	1.0	2818.5	2663.1	2573.6	2393.4	2111.1	2069	2002	1924	1785	1777	1631
6	1.0	2560.7	2494.1	2363.9	2227.4	1933.7	1843	1872	1736	1659	1537	1553
7	1.2	3016.2	2958.8	2869.3	2681.8	2305.5	2126	2081	2079	1911	1813	1701
8	1.2	2987.4	2972.0	2881.7	2781.2	2434.9	2172	2100	1989	1978	1809	1734
9	1.2	2930.5	2981.3	2924.5	2938.7	2617.7	2582	2520	2154	2060	2057	1928
10	1.2	2919.1	2804.3	2833.7	2819.7	2741.9	2537	2400	2392	2044	1948	1951
11	1.2	2759.5	2707.5	2574.0	2596.1	2487.3	2494	2544	2218	2214	1896	1827
12	1.2	2981.3	2944.2	2793.8	2653.9	2653.5	2618	2670	2649	2314	2316	1993
Projected APU		**37953.4**	**36982.5**	**36015.1**	**34138.5**	**31335.9**	**29939**	**29390**	**28041**	**26556**	**25499**	**24653**

Appendix 4 – Strategic Plan

Goal 1 – Academic Achievement – Necessary Conditions

Condition	Potential Fiscal Impacts
All schools follow an academic schedule and calendar that supports academic priorities.	
Schools are staffed appropriately: • Manageable vacancy rates. • Sustainable and predictable funding.	Additional Human Resources staff may be required.
Additional time needed for required professional development: • Deploy instructional coaches to provide job embedded PD. • Embed additional time for backwards planning days into the school year following rounds of universal screening.	Job coaches will need to be recruited, hired, and deployed, as well as any additional personnel necessary to support them. Extended time or reserve teachers made available so that teachers have time to attend additional PD. Contracted costs or additional personnel required to implement and deliver PD.
All teachers use district approved curriculum and interventions: • Provide on-going training on curricular materials to teaching and intervention staff. • Ensure all content areas have district approved curricular materials that align with state standards.	Significant investments in terms of personnel time and outside resources to evaluate, select and deploy curricular materials (millions of dollars). Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD.
Stronger systems of accountability for low performing staff: • Human Resources has appropriate resources to implement. • Complete revision of SOEI and SOESL rubrics. • Ensure adequate staffing for teachers and staff who need formal coaching (PAR Mentors)	Additional personnel will be required in Human Resources, Teaching & Learning, and across schools to develop and manage these accountability systems as well as deliver individualized coaching.
K-12 Magnet pathways are clearly articulated: • Credible commitment to program stability such that they are perceived as sustainable and predictable. • All K-8 magnet sites have a vision, mission, professional development, and marketing plan accessible to the community. • All K-8 magnet sites have thematic based curriculum units aligned to state standards. • All K-8 magnet sites have a high school pathway built upon promoting continuity of the magnet theme. • All K-12 magnet sites meet integration enrollment targets.	Additional personnel required in Communications to provide ongoing marketing support. Additional personnel required in Teaching & Learning to develop and align curriculum. Additional investments made in high schools where necessary to complete K-12 pathway. Additional Transportation costs as students commit to complete pathways.

Goal 1 – Academic Achievement – Strategies for improvement

Strategy	Potential Fiscal Impacts
Provide standards-based core instruction with a focus on literacy and mathematics: • Form a steering committee to identify criteria for math curricula for pilot process, assess degree to which piloted curricula meets district needs, and adopt the new curricula. • Follow a curriculum adoption schedule that is aligned to Minnesota State Standards review/adoption schedule. • Provide professional development that supports ongoing adult learning in cognitive science, content knowledge, and culturally responsive and sustaining practices. • Adopt ongoing formative assessments to be used consistently between screening windows to provide more information following data dives. • Upon completion of the K-5 literacy audit, review or adopt new curriculum. • Create PK-12 clearly articulated core content sequence that ensures students receive content knowledge and pre-requisite skills needed for the next steps in the content sequence.	Extended time for district personnel to attend committee meetings or do work outside the scope of their normal contract. Commit to ongoing curriculum assessment and adoption, as well as the personnel and support personnel necessary to do this work. Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD. Develop or otherwise acquire assessment tools as well as the personnel to implement them, ensure they are being appropriately administered, and interpret the resulting data.
Ensure all curriculum and instructional practices are anti-racist and sustain the cultures, languages, and experiences of our students: • Require culturally responsive & sustaining professional development as part of ongoing PD during the school year. • Finalize equity competencies and embed them into the revised SOEI rubric and ongoing PD, as well as teacher expectations. • Create a district-wide curriculum, resources and materials review process that aligns with finalized equity competencies. • Create or purchase a 'text tool' for educators to use to determine the appropriateness and cultural responsiveness of texts being used in class. • Ensure all curriculum review & adoption tools include antiracism and cultural responsiveness as key components.	Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD. Personnel time to develop and deploy curriculum as well as the cost of supplies necessary to implement that curriculum.

Strategy	Potential Fiscal Impacts
Ensure all community schools provide access to STEM, music, art, and language. Additionally, ensure all high schools provide access to ethnic studies and college credit courses: • All K-5 schools have a clearly articulated STEM curriculum that supports NGSS and MCA science proficiency. • All K-5 schools have 5th grade instrumental music available to all students and are offering at least 2 art forms to every student that is culturally responsive to the community the school serves. • All 6-12 schools offer at least one world language offering. • All 9-12 schools have a variety of ethnic studies courses. Additional ethnic studies courses will be offered for college credit in partnership with local colleges & universities. • A K-12 ethnic studies pathway will be developed and required in K-8. • Revise college credit course pathways and offerings to promote equitable access and opportunity.	Additional licensed staff will need to be integrated into buildings that do not currently have sufficient budget allocation to STEM, art, instrumental music, world language, or ethnic studies specialists. Investment will be required in high schools that lack appropriate access to college credit coursework.
Implement Professional Learning Communities (PLCs) to ensure that all students' needs are met through a system of academic support and intervention.	Personnel will need to be recruited, hired and deployed to support PLCs in the schools.
Provide magnet school pathways that offer innovative thematic instruction and integrated learning opportunities: • All magnet programming (except Montessori) has a K-12 pathway. • All magnet programs have theme-based, coherent curriculum that integrates the theme while incorporating the standards of the given grade level or course. • All magnet programs have trained staff and continue to offer ongoing professional development in theme-based curriculum, planning and instruction. • All magnet programming follows integration requirements regarding enrollment. • All magnet programming focuses on increasing student academic outcomes through thematic based instruction. • All magnet programming has construction completed.	Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD. Personnel time to develop and deploy curriculum as well as the cost of supplies necessary to implement that curriculum. Additional transportation costs to support K-12 magnet pathways. Additional capital costs to convert buildings into appropriate learning environments for thematic programming. (e.g., science labs, performance spaces).

Goal 2 – Student Wellbeing – Necessary conditions for strategies to be effective.

Condition	Potential Fiscal Impacts
Mental Health Supports appropriately resourced and staffed: • Licensed district alcohol and drug counselors specifically assigned to middle and high schools. • Every district site has an assigned district mental health support specialist. • Staffing and agency recruitment plan that prioritizes candidates and agencies that represent the students, families and communities in the district.	Additional FTEs to increase the total number of alcohol and drug counselors. Additional FTEs to increase the total number of mental health support specialists.
Adopt a district social and emotional learning (SEL) curriculum: • PreK-8th grade students benefit from morning meetings or advisory classes that provide approved supplemental SEL resources fit to their needs and identities. • All high school students have the opportunity to participate in regularly scheduled SEL-focused curriculum and discussions.	Cost of curriculum materials. Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD.
Adequate fill rate of operational positions in areas such as Culinary & Wellness Services, Custodial, and Transportation.	Increased personnel in HR. Potential adjustments to collective bargaining agreements.
Districtwide restorative practices plan appropriately resourced and staffed: • All staff trained and coached to implement restorative practices to build or restore relationships which have been harmed. • Hate & bias protocol finalized. • Hate & bias protocol training provided for all district staff. • Hate & bias protocol implemented at each school site.	Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD.
Youth enrichment programming appropriately resourced and staffed. Ensure district has credibly committed to adequately supporting and sustaining academic and enriching after-school activities.	Additional personnel in HR.

Goal 2 – Student Wellbeing – Strategies for improvement.

Strategy	Potential Fiscal Impacts
Provide equitable student access to culturally responsive counseling and mental health services with a mental health model that includes: • Resource mapping and gap analysis to ensure all needs are being met. • Clearly defined roles of all district staff involved in providing mental health services. • Clearly defined roles of contracted agencies and the services they provide. • Recruitment plan to ensure mental health services are inclusive and representative of district students, families and communities.	
Fully implement a restorative approach to student support: • Using a phase-in approach, expand the district's partnership with the Legal Rights Center (LRC) or similar vendor to provide restorative practices training and support at schools and district departments. • Proactive classroom, small group and individual restorative activities created and utilized.	Currently the LRC is working with 6 middle schools, would need to be expanded ten-fold. Extended time for district personnel to attend committee meetings or do work outside the scope of their normal contract.
Integrate social and emotional practices into all classrooms and out-of-school-time activities. Expand staff PD opportunities to learn, apply and model the use of SEL skills across core content, in non-classroom spaces, and in out-of-school-time.	Extended time for district personnel to attend committee meetings or do work outside the scope of their normal contract.
Provide physically safe and welcoming school environments through strategic shortening of walk zones, building cleanliness, building improvements, land care and strong emergency management practices.	Increased transportation costs, custodial, groundskeeping, capital and security costs.
Support healthy child development through nutritious meals and promotion of physical activity.	Potential district subsidies of district nutrition program. Potential increased expenditures in athletics and activities.

Goal 3 – Effective Staff – Necessary conditions for strategies to be effective.

Condition	Potential Fiscal Impacts
Credible district commitment to sustaining stable pathway programming: • Credible district commitment to provide the necessary resources for pathway programming without relying on outside funding or grants. • Successfully prepare and develop a significant number of educators through pathways so licensed staffing is stable and projectable. • Incorporate pathways as a core pillar of district's long-range planning.	Lower district revenues as grant funding is reduced.
Competitive compensation.	Increases in salaries, wages and district benefits packages.
Sufficient vacancies to all for recruiting staff of color, such as early retirement incentives.	Cost of early retirement incentives. Potential bargaining risk.
Board support on bargaining strategies that address contractual barriers including modifying seniority language that inequitably privileges white staff members.	
Positive organizational climate.	

Goal 3 – Effective Staff – Strategies for improvement.

Strategy	Potential Fiscal Impacts
Strengthen pathways and reduce barriers for talented and diverse district employees and potential employees to become teachers. • Credible district commitment to stabilizing existing pathway programs to bolster recruitment. • Grow the programs to serve more candidates and produce more teachers.	Prioritize pathway programming when budgeting general fund expenditures.
Maintain teacher equity plan focused on staffing needs of district's fifteen highest need schools.	
Deepen strategic recruitment of high quality, diverse teachers and staff.	Additional HR costs.
Pursue bargaining strategies that prioritize district proposals that address contractual barriers to the equitable distribution and recruitment, hiring and retention of high-quality, diverse teachers and staff.	The potential fiscal impact is substantial.
Pursue authentic engagement with district families around the design and implementation of equitable HR policies and practices.	Additional communications costs.

Goal 4 – School and District Climate – Necessary conditions for strategies to be effective

Condition	Potential Fiscal Impacts
Implement Board Policy 1692 (Site Council Governance) with fidelity: • System to track whether school site councils are representative of their student racial and ethnic demographics created and implemented. • Professional development for school leaders and site council members on the role and responsibilities of site councils created and administered.	Cost to purchase or create system. Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD.
Embed equity competencies into performance management and professional development systems: • Equity competencies finalized and shared districtwide. • Plan to deliver professional development to all staff on new equity competencies created and implemented. • New equity competencies being used as a tool in the SOEI and SOESL revision process.	Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD.
Full implementation of student placement EDIA.	
Continued board support of student climate framework implementation.	
Continued support credible commitment to stability of stakeholder voice structures (YPE, PPE, EDIA, Citywide Student Government, and Parent Advisory Councils) to support planning and decision making: • No longer reliant upon short-term grants to support stakeholder voice structures. • Data collected by caregivers and students used in school and district decision-making.	Lower revenue as district separates from grant funding. Additional personnel to collect, clean and analyze any data produced.

Goal 4 – School and District Climate – Strategies for improvement.

Strategy	Potential Fiscal Impacts
Hear, value and respect all district staff, parents, and students: • Continue measuring classroom climate in grades 5-12 with the Cultivate Survey (classroom climate survey). • Monitor climate goals by training the equity and school climate team on how to use the Cultivate tool. • Build school culture and relationships with proactive strategies through equity and school climate team training for school leaders and teams. • Recognize and appreciate students and staff by continuing to build out tools such as MPS Shines and MPS Together.	Extended time or reserve teachers made available so that teachers have time to attend additional PD as well as costs or additional personnel required to deliver PD. Additional recognition costs.
Inform district hiring and retention practices, professional development opportunities, and professional support systems using the district's equity competencies.	
Listen to youth, parents, and community members through consistent opportunities for them to provide feedback.	Additional communications costs.
Ensure student placement practices support integrated learning opportunities and increased enrollment and retention.	
Enhance student experiences and learning opportunities by supporting community partnerships.	Cost of any financial support to community partnerships.

Appendix 5 – Selected Comparative District Metrics

All Data obtained from MDE Data Center (https://public.education.mn.gov/MDEAnalytics/Data.jsp) or PELSB Staffing Reports (https://mn.gov/pelsb/board/reports/):

		Non-MPS Average					
	MPS	**Top 5**	**Top 15**	**Anoka-Hennepin**	**Saint Paul**	**Rosemount-Apple Valley**	**Osseo**
October 1, 2021 Count							
Early Childhood	619	580	339	768	762	445	344
Pre-Kindergarten	243	188	125	110	323	84	234
Kindergarten	2451	2178	1283	2608	2539	2072	1493
First Grade	2260	2112	1245	2527	2475	1959	1485
Second Grade	2348	2200	1284	2654	2507	2104	1536
Third Grade	2250	2206	1292	2655	2558	2122	1490
Fourth Grade	2221	2142	1270	2566	2448	2121	1431
Fifth Grade	2110	2162	1268	2636	2463	2085	1462
Sixth Grade	1958	2136	1272	2783	2192	2184	1386
Seventh Grade	1940	2198	1308	2831	2274	2225	1462
Eighth Grade	2028	2259	1341	2929	2317	2214	1574
Ninth Grade	2180	2474	1453	3209	2615	2433	1639
Tenth Grade	2366	2441	1437	3211	2574	2339	1641
Eleventh Grade	2306	2417	1424	3147	2525	2385	1611
Twelfth Grade	2835	2698	1569	3596	2903	2473	1821
Total Count	30115	30390	17911	38230	33475	29245	20609
Counts by Race							
American Indian	946	173	85	193	281	116	100
Hispanic	5205	3207	1869	2770	4824	3194	2039
Black	9217	5794	2778	5510	8234	4146	5285
Percentages by Race							
American Indian	3.1%	0.6%	0.5%	0.5%	0.8%	0.4%	0.5%
Hispanic	17.3%	10.6%	10.4%	7.2%	14.4%	10.9%	9.9%
Black	30.6%	19.1%	15.5%	14.4%	24.6%	14.2%	25.6%
Percentages by Category							
Special Education	16.92%	16.25%	15.29%	17.77%	16.45%	15.61%	14.02%
Limited English Proficiency	17.34%	13.90%	8.88%	7.06%	28.28%	7.92%	10.42%
Free/Reduced Lunch	53.50%	36.73%	27.29%	29.27%	65.50%	16.66%	29.83%
Staffing Counts (FY21)							
Licensed Professional Staff	3332	2477	1414	2881	3075	2289	1661
Licensed Instructional Staff	2462	1892	1101	2178	2330	1752	1306
Special Ed (Licensed)	632			583	448	401	282
Staffing Ratios (Students/Staff - FY21)							
Licensed Professional Staff	9.64	12.23	12.52	12.95	11.28	12.60	12.24
Licensed Instructional Staff	13.05	16.01	16.09	17.13	14.88	16.46	15.57
Special Ed (Program Specific)	8.60			11.37	12.74	11.23	10.10
Special Education Funding							
SPED Aid	$75,511,259			$70,242,776	$64,169,603	$54,947,958	$32,740,676
SPED Aid/SPED Student	$13,891			$10,597	$11,250	$12,205	$11,486
SPED Expenditures/SPED Student	$22,088			$16,263	$22,154	$17,136	$19,874
Cross Student per SPED Student	$8,197			$5,666	$10,904	$4,931	$8,388

SECTION 1: **REPEAL** "Policy 7420: Bonded Indebtedness" of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 7420: Bonded Indebtedness~~ *(Repealed)*

1. **PURPOSE**
   The purpose of this policy is to establish the limits of bonded indebtedness the District may incur.
2. **GENERAL STATEMENT OF POLICY**
   The District shall be limited to that amount of bonded indebtedness as allowed under applicable Minnesota Law.
3. **RESPONSIBILITY**
   The Superintendent, or designee, shall make recommendations to the board on amounts and timing of bonded indebtedness, as are deemed necessary for the proper establishment and operation of schools within the limits of state law.

~~**Original Adoption:**~~
~~04/25/1967~~

~~**Revision Dates:**~~
~~02/24/1976, 12/15/2009~~

~~**Legal References:**~~

- Minn. Stat. §123B.59 (Alternative Facilities Bonding and Levy Program)
- Minn. Stat. §123B.62 (Bonds for Certain Capital Facilities)
- Minn. Stat. §123B.71 (Review and Comment for School District Construction)
- Minn. Stat. §123D.11 (School District Bonds)
- Minn. Stat. §273.1103 (Net Debt, Terminology of Laws or Charters)
- Minn. Stat. Chapter 473F (Metropolitan Revenue Distribution)
- Minn. Stat. §475.53, Subd. 4 (Limit of Net Debt)
- Minn. Stat. §475.56 (Interest Rate)

~~**MPS Policy Cross References:**~~

- Policy 3005 (Budget)
- Policy 3170 (Multi Year Capital Planning)
- Policy 3172 (Annual Capital Budget)
- Policy 3176 (Capital Improvements Budget)
- Policy 3290 (Debt: Purposes and Limitations)
- Policy 3294 (Bond Ratings)

Minneapolis Public Schools

List A: All Employees: Tuesday, December 13, 2022

Hiring - Licensed

Sinai Akpan	Stadium View	Teacher, Art	11/14/2022
Lindsay Caldwell	Jenny Lind Elementary	Teacher, Special Education	10/10/2022
Jeffrey Chetoni	FAIR High	Teacher, English	11/28/2022
Adama Dinos	Henry High	Teacher, Math	11/28/2022
Kyanna Ford	North High	Teacher, Social Worker	11/14/2022
Rebecca Glass	Teaching & Learning	Teacher, TOSA General	11/21/2022
Todd Illig	Washburn High	Teacher, Special Education	11/28/2022
Vena Jones	ABE Hourly	Teacher, Adult Basic Ed (Hourly)	11/14/2022
Michelle Kelly	Minneapolis Academy & Career Center	Teacher, Science	11/28/2022
Laura Kiepura	Ella Baker PK-8	Teacher, Science	11/14/2022
Amy Laboe	Washburn High	Teacher, English Second Language	12/5/2022
Amy Leinen	Webster Elementary	Teacher, Special Education	11/21/2022
Michael Leipold	Teaching & Learning	Teacher, Music	11/8/2022
Estela Lerma	Henry High	Teacher, World Languages (Spanish)	12/1/2022
Amelia Marquez	Edison High	Teacher, Social Studies	10/31/2022
Cazz Martin	Northeast Middle	Teacher, Health	10/24/2022
Shane O'Leary	Olson Middle	Teacher, Social Worker	11/28/2022
Solomon Parham	Henry High	Teacher, Social Studies	11/14/2022
Solomon Parham	Henry High	Teacher, TOSA General	11/14/2022
Steven Pitts	Ella Baker PK-8	Teacher, English	11/14/2022
Michelle Storm	Howe Elementary	Teacher, Elementary	11/14/2022

Minneapolis Public Schools

List A: All Employees: Tuesday, December 13, 2022

Hiring - Licensed

Tavian Swanson	Henry High	Teacher, Physical Education	1/3/2023
Tamra Tyler	Special Ed Program 3	Teacher, District Program Facilitator	12/1/2022
Cristina Umana-Rojas	Seward Elementary	Teacher, Special Education	11/21/2022

Hiring - Non Licensed

Parfaite Alle	Engineers, Zone 2	Custodian	12/5/2022
Flora Alvarado Barbecho	CWS, Site Group 5 - Southwest	Food Service Assistant	12/1/2022
Nicholas Anderson	Washburn High	Special Education Assistant	12/5/2022
Sheila Arroum	Engineers, Zone 2	Custodian	12/5/2022
Anne Baxter	Minneapolis Kids	Child Care Assistant	11/28/2022
Charvette Boyd	Talent Acquisition	Human Resources Consultant	11/28/2022
Miranda Burks	Kenwood Elementary	Special Education Assistant	11/21/2022
Brandie Carlisle	Minneapolis Kids	Child Care Assistant	12/6/2022
Emileigh Cohan	Transportation	Fleet Maintenance Mechanic	11/22/2022
Jason Coleman	Engineers, Zone 2	Custodian	12/6/2022
Dennis Cullinan	Engineers, Zone 1	Custodian	12/6/2022
Lisa Dalton	Early Childhood Special Education	Special Education Assistant	11/28/2022
Joseph Danielson	AVID Tutors	AVID Assistant	12/2/2022
Mary Davis	North High	Special Education Assistant	9/27/2022
Zoila Diaz Olivares	District Communications Center	District Communication Ctr Specialist	12/15/2022
Sha'Kayla Ellis	Minneapolis Kids	Child Care Assistant	11/21/2022
Maryan Farah	Special Ed Interpreters	Associate Educator	1/4/2023

Minneapolis Public Schools

List A: All Employees: Tuesday, December 13, 2022

Hiring - Non Licensed

Cavan Gahagan	Adult Basic Education	Manager, Community Education Programs	11/3/2022
Kaitlyn Grow	Andersen Middle	Special Education Assistant	11/14/2022
Semhar Hadgu	Kenwood Elementary	Health Services Assistant	11/8/2022
Christopher Hamilton	Engineers, Zone 1	Custodian	12/1/2022
Janessa Harms	Jenny Lind Elementary	Associate Educator	11/28/2022
Jeta Hernandezvega	CWS, Site Group 3 - Central West	Food Service Assistant	11/17/2022
Kateri Heymans	Bancroft Elementary	Special Education Assistant	11/14/2022
Keith Holmes	Engineers, Zone 1	Custodian	11/21/2022
Run Hussein	Engineers, Zone 2	Custodian	11/21/2022
Keandra Johnson	Field Elementary	Special Education Assistant	11/14/2022
Linda Jones	Transportation	School Bus Driver In Training	11/15/2022
Tory Kirby	Folwell Elementary	Special Education Assistant	12/5/2022
Martha Koland	CWS, Site Group 6 - Southeast	Food Service Assistant	12/1/2022
Michelle Koland	Early Childhood Special Education	Special Education Assistant	11/14/2022
Erika Komatsu-Ortiz	Early Childhood Education Program 1	School Success Program Assistant	1/3/2023
Audrey Kruse	Field Elementary	Special Education Assistant	12/12/2022
Darry Larkin	Minneapolis Kids	Child Care Assistant	10/13/2022
Gale Leflore	Early Childhood Education Program 1	Associate Educator	12/5/2022
Alex Liuzzi	Division of Human Resources	Administrator, Mpls Residency Program	1/4/2023
Shawntae Lobley	Engineers, Zone 2	Custodian	11/14/2022
Parveen Modi	Minneapolis Kids	Child Care Assistant	8/26/2022

Minneapolis Public Schools

List A: All Employees: Tuesday, December 13, 2022

Hiring - Non Licensed

Lindsey Morris	Lyndale Elementary	Special Education Assistant	11/28/2022
Nicole Nelson	Northrop Elementary	School Secretary	11/29/2022
Amanda Oconnor	Barton Elementary	Special Education Assistant	11/17/2022
Robert Partee	Engineers, Zone 1	Custodian	12/5/2022
Jonathan Pruitt	Minneapolis Kids	Child Care Assistant	11/28/2022
Kiana Rice	FAIR High	Special Education Assistant	11/8/2022
Jada Richardson	South High	Special Education Assistant	11/28/2022
Serena Robertson	Transportation	Bus Aide	12/5/2022
Gabriel Rovaina Rivera	Folwell Elementary	Special Education Assistant	12/1/2022
Kyle Sadler	Dowling Elementary	Special Education Assistant	12/1/2022
Juan Carlos Salinas Cortes	Anwatin Middle	Associate Educator	11/28/2022
Philip Spainhour	IT Service Management	Manager, IT Service Management	11/14/2022
Jesse Spivey	Engineers, Zone 2	Custodian	11/15/2022
Stephanie Steen	Teaching & Learning	K-12 Content Lead	11/28/2022
Lonelle Stuckey	Engineers, Zone 1	Custodian	11/14/2022
Latasha Sutton	Minneapolis Kids	Family Learning Child Care Worker	8/8/2022
Diamond Thomas	Marcy Elementary	Special Education Assistant	11/9/2022
Melissa Thompson-Vieira	Minneapolis Kids	Family Learning Child Care Worker	8/29/2022
David Trotter	Engineers, Zone 2	Custodian	11/21/2022
Saehea Turner	Loring Elementary	Associate Educator	11/21/2022
Daniel Villarreal	Talent Acquisition	Human Resources Consultant	11/28/2022
Brandon Williams	Engineers, Zone 2	Custodian	11/21/2022

Discharges

Licensed

Teacher	12-13-2022	2022-12-ER-5356

Non-Licensed

Probationary Separations

Licensed

Licensed, Staff Reduction

Non-Licensed

Child Care Assistant	12-07-2022	2022-12-ER-5412
Special Education Assistant	12-05-2022	2022-12-ER-5408
Child Care Assistant	11-29-2022	2022-12-ER-5392
Special Education Assistant	12-02-2022	2022-12-ER-5400

Non-Licensed, Staff Reduction

Licensed, Discontinuance of Contract

Layoffs

Licensed

Teacher	12-13-2022	2022-12-ER-5247

Non-Licensed

Administrative Contract Non-Renewals

MINNEAPOLIS PUBLIC SCHOOLS
Urban Education. Global Citizens.

Capital Planning, Construction & Maintenance Department

Consultant/Architect Contract Amendment Cover Sheet

Project Information

Consultant/Architect	Miller Dunwiddie	Date	11/18/2022
Project Name	Justice Page Middle School Renovations	Project No.	21PAGE002
Contract Approval Date:	2/10/2021	MAS #	12918

Summary

Original Contract Amount	$	533,000.00	Date of Substantial Completion	10/1/2022
Board Authorized Amount	$	694,335.00	Most recent Board Approval Date	11/9/2021

Summary of Previous Amendment s

Amendment #1	$	7,435.00	Owner's Security Consultant incorporated under Arch.
Amendment #2	$	132,000.00	Owner increased scope of services from the time Miller Dunwiddie bid on this work that includes water infiltration investigation and design, structural removal, increased scope of lower level rooms, increased scope of building sign removal during construction
Amendment #3	$	21,900.00	additional time for interior finishes changed in PR 2 and addition of weekly construction administration
		TOTAL OF PREVIOUS Amendment S	$ 161,335.00

AMOUNT OF THIS Amendment #	**4**	**$ 41,300.00**

Additions time to accommodate existing conditions.

TOTAL Amendment S TO DATE	**$ 202,635.00**
REVISED CONTRACT AMOUNT	**$ 735,635.00**
REVISED DATE OF SUBSTANTIAL COMPLETION	11/1/2022
DATE OF BOARD ACTION	12/13/2022

Reviewed By: Jessica J Pavelka — Date: 11/18/2022

onstruction

Approved By: — Date: 11/21/2022

Executive Director, CPCM

Approved By: — Date:

Senior Officer of Finance and Operations

AIA® Document G802™ – 2017

Amendment to the Professional Services Agreement

PROJECT: *(name and address)*
Justice Page Middle School Improvements
1 West 49th Street
Minneapolis, MN 55419

AGREEMENT INFORMATION:
Date: Februray 10, 2021

AMENDMENT INFORMATION:
Amendment Number: 004

Date: October 10, 2022

OWNER: *(name and address)*
Minneapolis Public Schools
Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55414

ARCHITECT: *(name and address)*
Miller Dunwiddie

100 Washington Avenue South
Suite 500
Minneapolis, MN 55401

The Owner and Architect amend the Agreement as follows:
Additional Scope of Design Services: Unforeseen Construction Conditions
• Discovery of mechanical openings in the band room floor after removal of tiered platforms. Additional time to determine if they are active and required.
• Additional time to rework of science casework due to unforeseen mechanical piping in walls between and around science rooms 314 & 315.
• Investigation and preparation of recommendations for beam repair above the new stair which was in poor condition and required repair
• Additional investigation and design required when existing structural pier caps were discovered to be 8'-0" lower than anticipated and lower than shown on existing drawings.
• Upon partial demolition of wall / ceilings, variations in overhead clearances were discovered that varied from existing documents and previous filed measurements at stair from lower to entry level. Reviewed and prepared alternative options at existing stairs support walls to pour new stair over existing stair. Revisions required to include additional wall types.
• Post approval of documents by code officials, the Plumbing inspector on site determined island venting was not acceptable unless sink was located adjacent to a window. No plumbing comments were received from the city. Additional design/demo/vent routes required.
• Upon removal of ceilings, many plumbing penetrations fell on a joist of the slab or beams. Contractor required additional design drawings & on-site information reviews to re-route water lines through the ceiling or demo existing clay tile walls to avoid structural penetrations
• Additional coordination and design documentation for vertical shaft walls, which on original plans indicated alignment. Field conditions showed walls 25" apart, greatly reducing the area available for exhaust shaft. Relocation options considered – no viable relocation options. Re-sizing and re-routing the ducting is required.
• Additional scope to review structural load capacity on the stage area.
• Site review and coordination/documentation due to deviation from the design details resulting in improper installation of Anchor Bolts/Missing Embed at Metal Deck.
• Additional meetings due to delays in delivery of science casework and impact on schedule.
• Additional meetings due to extension of schedule for completion for exterior addition space.

Addition to contract sum $ 41,300.00

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:
Revised Contract Amount: $735,635

Schedule Adjustment:
November 1, 2022

AIA Document G802™ – 2017. Copyright © 2000, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 16:49:57 CT on 10/11/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA5A)

SIGNATURES:

Miller Dunwiddie	Minneapolis Public Schools Special School District #1
ARCHITECT *(Firm name)*	**OWNER** *(Firm name)*
	
SIGNATURE	**SIGNATURE**
Paul G. May, Vice-President	
PRINTED NAME AND TITLE	**PRINTED NAME AND TITLE**
10/12/2022	
DATE	**DATE**

AIA Document G802™ – 2017. Copyright © 2000, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 16:49:57 CT on 10/11/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA5A)

Request for Board Action

Item Title
Miller Dunwiddie contract amendment for architectural services at Justice Page Middle School

Recommended Motion
Entered by Board Office.

Requesting Division
Operations

Item File Number
Entered by Board Office.

Meeting Date for Action
12/13/2022

Reason for Board Action
Contract over $500,000 (Fund 6)

Background
Miller Dunwiddie has taken on additional design and construction management scope at the Owner's request. Amendment covers scope including additional time for interior finishes changed in the amount of $41,300

Timeline/Next Steps
Construction phase begins spring 2022

Contract Amount
Original contract amount $533,000
Revised to $735,635

Contract Term
2/9/2021 – 12/31/2026

Contract Type
Amendment

RFP Status
Completed

FIRST AMENDMENT AMD-13904 TO CONTRACT MAS-13620 BETWEEN: SPECIAL SCHOOL DISTRICT NO. 1 AND RIFT VALLEY TRANSPORTATION INC

This Amendment ("Amendment") to the Contract between Special School District No. 1 and Rift Valley Transportation Inc, dated January 1, 2023 ("Contract") is made and entered into by and between Special School District No. 1 ("District") and Rift Valley Transportation Inc ("Contractor") (collectively "parties").

WHEREAS, Special School District No. 1, a special a school district created and existing under Minnesota law ("District") and Rift Valley Transportation Inc ("Contractor") entered into a contract titled Student Transportation for a period 1/1/2023 through 6/30/2027 ("Contract"), and

WHEREAS, the Parties now desire to amend the contract;

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

Section 3.1 of the Contract shall be amended to add: $500,000

Except as herein amended, the terms, conditions and provisions of the Contract shall apply to and govern the provisions of this Amendment.

[The remainder of this page intentionally left blank.]

SPECIAL SCHOOL DISTRICT NO. 1

By: _____

Name: _____

Title: _____

Date: _____

Rift Valley Transportation Inc

By: _____

Name: [illegible]

Title: CEO

Date: 11-22-22

FIRST AMENDMENT AMD-13904 TO CONTRACT MAS-13620 BETWEEN: SPECIAL SCHOOL DISTRICT NO. 1 AND RIFT VALLEY TRANSPORTATION INC

This Amendment ("Amendment") to the Contract between Special School District No. 1 and Rift Valley Transportation Inc, dated January 1, 2023 ("Contract") is made and entered into by and between Special School District No. 1 ("District") and Rift Valley Transportation Inc ("Contractor") (collectively "parties").

WHEREAS, Special School District No. 1, a special a school district created and existing under Minnesota law ("District") and Rift Valley Transportation Inc ("Contractor") entered into a contract titled Student Transportation for a period 1/1/2023 through 6/30/2027 ("Contract"), and

WHEREAS, the Parties now desire to amend the contract;

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

Section 3.1 of the Contract shall be amended to add: $500,000

Except as herein amended, the terms, conditions and provisions of the Contract shall apply to and govern the provisions of this Amendment.

[The remainder of this page intentionally left blank.]

SPECIAL SCHOOL DISTRICT NO. 1

By: _____

Name: _____

Title: _____

Date: _____

Rift Valley Transportation Inc

By: _____

Name: [illegible]

Title: CEO

Date: 11-22-22

20FIEL001 - Field Elementary School Renovations

Contract Sum: $4,943,000.00

Contractor: Shaw-Lundquist Associates, Inc.

Project Name and Number

Field Elementary School Renovations - OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419
20FIEL001

Description

Renovate the existing entry and office area to provide a secure vestibule adjacent to the entrance to the school. Upgrade kitchen facilities to reflect current District food service operations. Work also includes updates to certain building systems that are beyond their system lifecycle.

Contract Documents

AIA Document A101-2017
AIA Document A101 Exhibit A-2017
Exhibit B – Project Charter
Exhibit C – Owner Insurance
Exhibit D – Project Schedule
AIA Document E203-2013
AIA Document A201-2017

AIA® Document A101® – 2017

Standard Form of Agreement Between Owner and Contractor *where the basis of payment is a Stipulated Sum*

AGREEMENT made as of the Thirteenth day of December in the year 2022
(In words, indicate day, month and year.)

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

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

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

Shaw-Lundquist Associates, Inc.
2757 W Service Road
St. Paul, MN 55121

for the following Project:
(Name, location and detailed description)

Field Elementary School Renovations Project
OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419

The Architect:
(Name, legal status, address and other information)

LHB Inc.
701 Washington Avenue North
Suite 200
Minneapolis, MN 55401

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.

The parties should complete A101®–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201®–2017, 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.

Init.
/

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

TABLE OF ARTICLES

1 THE CONTRACT DOCUMENTS

2 THE WORK OF THIS CONTRACT

3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

4 CONTRACT SUM

5 PAYMENTS

6 DISPUTE RESOLUTION

7 TERMINATION OR SUSPENSION

8 MISCELLANEOUS PROVISIONS

9 ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which 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 a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

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

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[ ] The date of this Agreement.

[X] A date set forth in a notice to proceed issued by the Owner.

[ ] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

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

§ 3.3 Substantial Completion

§ 3.3.1 The Contractor shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

[ ] Not later than ( ) calendar days from the date of commencement of the Work.

[X] By the following date: Defined in EXH-D Project Schedule

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates are defined in EXH-D Project Schedule. Such portions of the work not completed as defined in EXH-D Project Schedule shall be subject to liquidated damages as set forth in Article 4.5.

(Table Deleted)

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract as defined in EXH-B Project Charter, subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum are defined in EXH-B Project Charter.

(Table Deleted)

§ 4.2.2 Subject to the conditions noted in EXH-B Project Charter, alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.

(Paragraph Deleted)

(Table Deleted)

§ 4.3 Allowances, if any, included in the Contract Sum are defined in EXH-B Project Charter.

(Paragraph Deleted)

(Table Deleted)

§ 4.4 Unit prices, if any are defined in EXH-B Project Charter.

(Paragraph Deleted)

(Table Deleted)

§ 4.5 Liquidated damages

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

Contractor and Owner recognized that time is of the essence for the Project and the Owner will suffer financial loss if the Work is not completed in the time specified in the Contract Documents. The parties also recognized the delays, expenses, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by the Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, the Owner and Contractor agree that as liquidated
damages for delay (but not as penalty), Contractor shall pay Owner $1,000.00 per calendar day for each day that expires after the time specified for Substantial Completion in EXH-D Project Schedule until such time the Work is determined to be substantially complete by the
Owner.

(Paragraph Deleted)

After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining work within the Contract time specified in the Contract Documents, the contractor shall pay the Owner $1,000.00 per day that expires after the time specified in the Contract Documents for Final Completion and readiness for Final Payment until the Work is completed.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

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

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 5.1.3 When an Application for Payment is received by the Architect, payment of the amount certified shall be made by the Owner not later than 45 (forty-five) days after the Architect receives the Application for Payment.

(Paragraph Deleted)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor on AIA G702 Application and Certificate for Payment in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 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.

§ 5.1.6 In accordance with AIA Document A201™–2017, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- **.1** That portion of the Contract Sum properly allocable to completed Work;
- **.2** That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- **.3** That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- **.1** The aggregate of any amounts previously paid by the Owner;

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

.2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;

.3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;

.4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017; and

.5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Paragraph Deleted)

5% (five percent)

§ 5.1.7.1.1 The following items are not subject to retainage:
(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

For major items installed into the Work, the Contractor may request full payment for the items to ensure prompt delivery and fabrication. Such items shall be recommended by the Architect and approved by the Owner as not requiring retainage. Prompt payment for the items shall be documented by the Contractor to the Owner in the subsequent payment application by submitting a full lien release for the items. Major items may include mechanical units with long lead times, structural systems with long lead times, critical path systems or items, etc. Major items will be discussed and defined by Owner, Architect, and Contractor.

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:
Prior to Substantial Completion and at the discretion of the Owner, retainage may be reduced. If the Work has been 50% completed as
determined by the Architect and is satisfactory to the Owner, then 90% of the retained amount may be released to the Contractor for completed work (with 10% of the total retained by the Owner.) Upon Substantial Completion, additional retainage may be returned to the Contractor as recommended by the Architect and approved by the Owner to an amount sufficient to satisfactorily complete the Work. Retainage release will comply with Minnesota Statute 15.72 after Substantial Completion and punch list acceptance by the Owner.

(Paragraph Deleted)

§ 5.1.8 If final completion of the Work is materially delayed through no fault of the Contractor, the Owner shall pay the Contractor any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site or otherwise stored offsite with adequate Owner approved insurance provided to the Owner.

§ 5.2 Final Payment

§ 5.2.1 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 Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment; and

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

.2 a final Certificate for Payment has been issued by the Architect.

.3 all lien waivers and IC134 forms have been delivered to the Owner.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 45 days after the issuance of the Architect's final Certificate for Payment.

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. Owner will pay the Contractor 0% interest for Payments not due made within forty five (45) days.
(Paragraph Deleted)

§ 5.4 Prompt Payment to Subcontractors

This Contract requires the Contractor and all Subcontractors and Sub-subcontractors (of any tier) to promptly pay any subcontractor or material supplier contract within ten (10) days of receipt of payment by Owner for undisputed services provided by the party requesting payment. The party responsible for payment (other than the Owner) shall pay interest of one and one half (1-1/2) percent per month to the party requesting payment on any undisputed amount not paid on time. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the party responsible for payment shall pay the actual penalty due to the party requesting payment.

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017.

§ 6.1.1 Mediation

Either the Owner or the Contractor may request mediation of any Claim submitted to the Architect for decision before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect at the date of this contract. The request for mediation shall be made in writing to the American Arbitration Association and to the other party of this contract.

Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within sixty (60) days of the date of filing the request.

If the Claim is not resolved by mediation, the Architect's action shall become final and binding thirty (30) days after termination of the mediation proceedings. Within the time period, the Owner and Contractor mayrequest Binding Dispute Resolution.

The Work must continue, at the Owner's discretion, in accordance with paragraph 15.1.4.1 of AIA Document A201-2017.

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:
(Check the appropriate box.)

[ ] Arbitration pursuant to Section 15.4 of AIA Document A201–2017

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

[X] Litigation in a court of competent jurisdiction

[ ] Other *(Specify)*

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017.

§ 7.1.1 If the Contract is terminated for the Owner's convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee as follows:
(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)

Termination fee will be based on the percentage of work completed and any materials purchased or in production at the time of termination. Said fee and justification shall be provided to the Owner by the Contractor within ten (10) days of the notice of termination.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

Jessica Pavelka
1250 West Broadway Avenue
Minneapolis, MN 55411

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

Thomas J Meyers
Shaw-Lundquist Associates, Inc.
2757 W Service Road
St. Paul, MN 55121

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

§ 8.5 Insurance and Bonds

§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, Exhibit A, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A101™–2017 Exhibit A, and elsewhere in the Contract Documents.

§ 8.6 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:
(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 8.7 Other provisions:

Owner prohibits Contractor from using the Work in any marketing material or business developement practice. Contractor is prohibited from communication with any news outlet or public without Owner's written approval.

Floor plans, designs, wiring, safety and security measures shall be kept confidential by the Contractor, the Subcontractors, the Sub-subcontractors (of any tier) during and after completion of the Work.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

.1 AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor

.2 AIA Document A101™–2017, Exhibit A, Insurance and Bonds

.3 AIA Document A201™–2017, General Conditions of the Contract for Construction

.4 AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this Agreement.)

January 31, 2020

.5 Drawings

Number	Title	Date

.6 Specifications

Section	Title	Date	Pages

.7 Addenda, if any:

Number	Date	Pages

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.8 Other Exhibits:

(Paragraphs Deleted)

EXH-B Project Charter

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

(Paragraph Deleted)

EXH-C Owner Insurance
EXH-D Project Schedule

(Paragraph Deleted)

(Table Deleted)

[ ] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages

.9 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

This Agreement entered into as of the day and year first written above.

OWNER *(Signature)*	**CONTRACTOR** *(Signature)* Thomas J. Meyers
(Printed name and title)	Thomas J. Meyers Vice President *(Printed name and title)*

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

Additions and Deletions Report for
AIA® Document A101® – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 08:38:47 CT on 11/02/2022.

PAGE 1

AGREEMENT made as of the Thirteenth day of December in the year 2022

...

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

...

Shaw-Lundquist Associates, Inc.
2757 W Service Road
St. Paul, MN 55121

...

Field Elementary School Renovations Project
OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419

...

LHB Inc.
701 Washington Avenue North
Suite 200
Minneapolis, MN 55401

PAGE 2

[X] A date set forth in a notice to proceed issued by the Owner.

...

§ 3.3.1 ~~Subject to adjustments of the Contract Time as provided in the Contract Documents, the~~ The Contractor shall achieve Substantial Completion of the entire Work:

PAGE 3

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

[X] By the following date: Defined in EXH-D Project Schedule

...

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following ~~dates:~~dates are defined in EXH-D Project Schedule. Such portions of the work not completed as defined in EXH-D Project Schedule shall be subject to liquidated damages as set forth in Article 4.5.

...

~~**Portion of Work** **Substantial Completion Date**~~

...

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the ~~Contract. The Contract Sum shall be ($),~~ Contract as defined in EXH-B Project Charter, subject to additions and deductions as provided in the Contract Documents.

...

§ 4.2.1 Alternates, if any, included in the Contract ~~Sum:~~Sum are defined in EXH-B Project Charter.

...

~~**Item** **Price**~~

...

§ 4.2.2 Subject to the conditions noted ~~below, the following~~ in EXH-B Project Charter, alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.

...

~~*(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)*~~

...

~~**Item** **Price** **Conditions for Acceptance**~~

...

§ 4.3 Allowances, if any, included in the Contract ~~Sum:~~Sum are defined in EXH-B Project Charter.

...

~~*(Identify each allowance.)*~~

...

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

~~Item~~ ~~Price~~

...

§ 4.4 Unit prices, if ~~any:~~any are defined in EXH-B Project Charter.

...

~~*(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)*~~

...

~~Item~~ ~~Units and Limitations~~ ~~Price per Unit ($0.00)~~

...

§ 4.5 Liquidated ~~damages, if any:~~damages

PAGE 4

~~*(Insert terms and conditions for liquidateddamages, if any.)*~~*Contractor and Owner recognized that time is of the essence for the Project and the Owner will suffer financial loss if the Work is not completed in the time specified in the Contract Documents. The parties also recognized the delays, expenses, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by the Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, the Owner and Contractor agree that as liquidated*

...

damages for delay (but not as penalty), Contractor shall pay Owner $1,000.00 per calendar day for each day that expires after the time specified for Substantial Completion in EXH-D Project Schedule until such time the Work is determined to be substantially complete by the

...

Owner.

...

~~**§ 4.6** Other:~~

...

~~*(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)*~~*After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining work within the Contract time specified in the Contract Documents, the contractor shall pay the Owner $1,000.00 per day that expires after the time specified in the Contract Documents for Final Completion and readiness for Final Payment until the Work is completed.*

...

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the ~~month, or as follows:~~month.

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

...

§ 5.1.3 ~~Provided that~~ When an Application for Payment is received by the Architect~~not later than the day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the day of the month. If an Application for Payment is received by the Architect after the application date fixed above,~~ , payment of the amount certified shall be made by the Owner not later than 45 (forty-five) days after the Architect receives the Application for Payment.

...

~~*(Federal, state or local laws may require payment within a certain period of time.)*~~

...

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor on AIA G702 Application and Certificate for Payment in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

PAGE 5

~~*(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)*~~

...

5% (five percent)

...

For major items installed into the Work, the Contractor may request full payment for the items to ensure prompt delivery and fabrication. Such items shall be recommended by the Architect and approved by the Owner as not requiring retainage. Prompt payment for the items shall be documented by the Contractor to the Owner in the subsequent payment application by submitting a full lien release for the items. Major items may include mechanical units with long lead times, structural systems with long lead times, critical path systems or items, etc. Major items will be discussed and defined by Owner, Architect, and Contractor.

...

~~*(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work asprovided in Section 3.3.2, insert provisions for such modifications.)*~~*Prior to Substantial Completion and at the discretion of the Owner, retainage may be reduced. If the Work has been 50% completed as*

...

~~§ 5.1.7.3~~ ~~Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:~~determined by the Architect and is satisfactory to the Owner, then 90% of the retained amount may be released to the Contractor for completed work (with 10% of the total retained by the Owner.) Upon

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

Substantial Completion, additional retainage may be returned to the Contractor as recommended by the Architect and approved by the Owner to an amount sufficient to satisfactorily complete the Work. Retainage release will comply with Minnesota Statute 15.72 after Substantial Completion and punch list acceptance by the Owner.

...

~~*(Insert any other conditions for release of retainage upon Substantial Completion.)*~~

...

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the ~~site.~~site or otherwise stored offsite with adequate Owner approved insurance provided to the Owner.

PAGE 6

.3 all lien waivers and IC134 forms have been delivered to the Owner.

...

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than ~~30~~ 45 days after the issuance of the Architect's final Certificate for ~~Payment, or as follows:~~Payment.

...

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. Owner will pay the Contractor 0% interest for Payments not due made within forty five (45) days.

...

~~*(Insert rate*~~

...

§ 5.4 Prompt Payment to Subcontractors

...

This Contract requires the Contractor and all Subcontractors and Sub-subcontractors (of any tier) to promptly pay any subcontractor or material supplier contract within ten (10) days of receipt of ~~interest agreed upon, if any.)~~payment by Owner for undisputed services provided by the party requesting payment. The party responsible for payment (other than the Owner) shall pay interest of one and one half (1-1/2) percent per month to the party requesting payment on any undisputed amount not paid on time. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the party responsible for payment shall pay the actual penalty due to the party requesting payment.

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

...

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document ~~A201–2017, unless~~ A201–2017.

...

§ 6.1.1 Mediation

...

~~the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.~~Either the Owner or the Contractor may request mediation of any Claim submitted to the Architect for decision before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect at the date of this contract. The request for mediation shall be made in writing to the American Arbitration Association and to the other party of this contract.

...

Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within sixty (60) days of the date of filing the request.

...

~~*(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*~~*If the Claim is not resolved by mediation, the Architect's action shall become final and binding thirty (30) days after termination of the mediation proceedings. Within the time period, the Owner and Contractor mayrequest Binding Dispute Resolution.*

...

The Work must continue, at the Owner's discretion, in accordance with paragraph 15.1.4.1 of AIA Document A201-2017.

PAGE 7

[X] Litigation in a court of competent jurisdiction

...

Termination fee will be based on the percentage of work completed and any materials purchased or in production at the time of termination. Said fee and justification shall be provided to the Owner by the Contractor within ten (10) days of the notice of termination.

...

Jessica Pavelka

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

1250 West Broadway Avenue
Minneapolis, MN 55411

...

Thomas J Meyers
Shaw-Lundquist Associates, Inc.
2757 W Service Road
St. Paul, MN 55121

PAGE 8

Owner prohibits Contractor from using the Work in any marketing material or business developement practice. Contractor is prohibited from communication with any news outlet or public without Owner's written approval.

Floor plans, designs, wiring, safety and security measures shall be kept confidential by the Contractor, the Subcontractors, the Sub-subcontractors (of any tier) during and after completion of the Work.

...

January 31, 2020

...

~~*(Check all boxes that apply and include appropriate information identifying the exhibit where required.)*~~

...

~~[ ] AIA Document E204™–2017, Sustainable Projects Exhibit, dated as indicated below:~~

...

EXH-B Project Charter

PAGE 9

~~(Insert the date of the E204-2017 incorporated into this Agreement.)~~

...

EXH-C Owner Insurance

...

EXH-D Project Schedule

...

~~[ ] The Sustainability Plan:~~

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

...

~~Title~~	~~Date~~	~~Pages~~

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Jessica Pavelka, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 08:38:47 CT on 11/02/2022 under Order No. 2114296869 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A101™ - 2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

Jessica J Pavelka

(Signed)

Manager, Capital Planning and Construction

(Title)

November 2, 2022

(Dated)

AIA Document D401™ – 2003. Copyright © 1992 and 2003 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:47 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4B)

AIA® Document A101® – 2017 Exhibit A

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Contractor, dated the Thirteenth day of December in the year 2022
(In words, indicate day, month and year.)

for the following **PROJECT**:
(Name and location or address)

Field Elementary School Renovations
OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419

THE OWNER:
(Name, legal status and address)

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

THE CONTRACTOR:
(Name, legal status and address)

Shaw-Lundquist Associates, Inc.
2757 W Service Road
St. Paul, MN 55121

TABLE OF ARTICLES

A.1 GENERAL

A.2 OWNER'S INSURANCE

A.3 CONTRACTOR'S INSURANCE AND BONDS

A.4 SPECIAL TERMS AND CONDITIONS

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 intended to be used in conjunction with AIA Document A201®–2017, General Conditions of the Contract for Construction. Article 11 of A201®–2017 contains additional insurance provisions.

ARTICLE A.1 GENERAL

The Owner and Contractor shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

ARTICLE A.2 OWNER'S INSURANCE

§ A.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article A.2 and, upon the Contractor's request, provide a copy of the property insurance policy or policies required by Section A.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

§ A.2.2 Liability Insurance
The Owner shall be responsible for purchasing and maintaining the Owner's usual general liability insurance.

§ A.2.3 Required Property Insurance
§ A.2.3.1 Unless this obligation is placed on the Contractor pursuant to Section A.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section A.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ A.2.3.1.1 Causes of Loss. The insurance required by this Section A.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:
(Indicate below the cause of loss and any applicable sub-limit.)

Causes of Loss	Sub-Limit

§ A.2.3.1.2 Specific Required Coverages. The insurance required by this Section A.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Contractor's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:
(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit

§ A.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section A.2.3.1 or, if necessary, replace the insurance policy required under Section A.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ A.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section A.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ A.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section A.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Contractor shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ A.2.3.3 Insurance for Existing Structures
If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section A.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

§ A.2.4 Optional Extended Property Insurance.
The Owner shall purchase and maintain the insurance selected and described below.
(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

[ ] **§ A.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.

[ ] **§ A.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.

[ ] **§ A.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.

[ ] **§ A.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.

[ ] **§ A.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.

[ ] **§ A.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

[ ] **§ A.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ A.2.5 Other Optional Insurance.
The Owner shall purchase and maintain the insurance selected below.

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

[ ] **§ A.2.5.1 Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information. *(Indicate applicable limits of coverage or other conditions in the fill point below.)*

[ ] **§ A.2.5.2 Other Insurance**
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage	Limits

ARTICLE A.3 CONTRACTOR'S INSURANCE AND BONDS

§ A.3.1 General

§ A.3.1.1 Certificates of Insurance. The Contractor shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article A.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section A.3.2.1 and Section A.3.3.1. The certificates will show the Owner as an additional insured on the Contractor's Commercial General Liability and excess or umbrella liability policy or policies.

§ A.3.1.2 Deductibles and Self-Insured Retentions. The Contractor shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Contractor.

§ A.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Contractor shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ A.3.2 Contractor's Required Insurance Coverage

§ A.3.2.1 The Contractor shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Contractor shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Contractor is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)

§ A.3.2.2 Commercial General Liability

§ A.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits as defined is ECH-C Owner Insurance, providing coverage for claims including

.1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;

.2 personal injury and advertising injury;

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

.3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
.4 bodily injury or property damage arising out of completed operations; and
.5 the Contractor's indemnity obligations under Section 3.18 of the General Conditions.

§ A.3.2.2.2 The Contractor's Commercial General Liability policy under this Section A.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

.1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
.2 Claims for property damage to the Contractor's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
.3 Claims for bodily injury other than to employees of the insured.
.4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
.5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
.6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
.7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
.8 Claims related to roofing, if the Work involves roofing.
.9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
.10 Claims related to earth subsidence or movement, where the Work involves such hazards.
.11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ A.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits as defined in EXH-C Owner Insurance .

§ A.3.2.4 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section A.3.2.2 and A.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers. Umbrella coverage as defined in EXH-C Owner Insurance

§ A.3.2.5 Workers' Compensation at statutory limits for Coverage A as defined in EXH-C Owner Insurance.

§ A.3.2.6 Employers' Liability Coverage B as defined in EXH-C Owner Insurance .

(Paragraph deleted)

§ A.3.2.8 If the Contractor is required to furnish professional services as part of the Work, the Contractor shall procure Professional Liability insurance covering performance of the professional services, with policy limits as defined in EXH-C Owner Insurance .

.

(Paragraphs deleted)

§ A.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits as defined in EXH-C Owner Insurance.

§ A.3.3 Contractor's Other Insurance Coverage

§ A.3.3.1 Insurance selected and described in this Section A.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

Contractor shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Contractor is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

If Professional Liability Insurance is required as part of this contract or becomes required during the course of the project coverage shall be in accordance with A.3.2.8, the insurance coverage shall be maintained for one calendar year after the date of Substantial Completion

§ A.3.3.2 The Contractor shall purchase and maintain the following types and limits of insurance in accordance with Section A.3.3.1 as defined in EXH-C Owner Insurance.

(Paragraphs deleted)

§ A.3.4 Performance Bond and Payment Bond

The Contractor shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:
(Specify type and penal sum of bonds.)

Type	Penal Sum ($0.00)
Payment Bond	Full contract value
Performance Bond	Full contract value

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE A.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

None

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

Additions and Deletions Report for

AIA® Document A101® – 2017 Exhibit A

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 08:38:58 CT on 11/02/2022.

PAGE 1

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Contractor, dated the Thirteenth day of December in the year 2022

...

Field Elementary School Renovations
OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419

...

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

...

Shaw-Lundquist Associates, Inc.
2757 W Service Road
St. Paul, MN 55121

PAGE 4

§ A.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits ~~of not less than ($) each occurrence, ($) general aggregate, and ($) aggregate for products-completed operations hazard,~~ as defined is ECH-C Owner Insurance, providing coverage for claims including

PAGE 5

§ A.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits ~~of not less than ($) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.~~as defined in EXH-C Owner Insurance .

§ A.3.2.4 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section A.3.2.2 and A.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers. Umbrella coverage as defined in EXH-C Owner Insurance

§ A.3.2.5 Workers' Compensation at statutory ~~limits.~~limits for Coverage A as defined in EXH-C Owner Insurance.

Additions and Deletions Report for AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

§ A.3.2.6 Employers' Liability ~~with policy limits not less than ($) each accident, ($) each employee, and ($) policy limit.~~Coverage B as defined in EXH-C Owner Insurance .

~~**§ A.3.2.7** Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks~~

§ A.3.2.8 If the Contractor is required to furnish professional services as part of the Work, the Contractor shall procure Professional Liability insurance covering performance of the professional services, with policy limits ~~of not less than ($) per claim and ($) in the aggregate.~~as defined in EXH-C Owner Insurance .

.

~~**§ A.3.2.9** If the Work involves the transport, dissemination, use, or release of pollutants, the Contractor shall procure Pollution Liability insurance, with policy limits of not less than ($) per claim and ($) in the aggregate.~~

~~**§ A.3.2.10** Coverage under Sections A.3.2.8 and A.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than ($) per claim and ($) in the aggregate.~~

~~**§ A.3.2.11** Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than ($) per claim and ($) in the aggregate.~~

§ A.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits ~~of not less than ($) per claim and ($) in the aggregate.~~as defined in EXH-C Owner Insurance.
PAGE 6

If Professional Liability Insurance is required as part of this contract or becomes required during the course of the project coverage shall be in accordance with A.3.2.8, the insurance coverage shall be maintained for one calendar year after the date of Substantial Completion

§ A.3.3.2 The Contractor shall purchase and maintain the following types and limits of insurance in accordance with Section ~~A.3.3.1.~~
~~*(Select the types of insurance the Contractor is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)*~~A.3.3.1 as defined in EXH-C Owner Insurance.

~~[–] **§ A.3.3.2.1** Property insurance of the same type and scope satisfying the requirements identified in Section A.2.3, which, if selected in this section A.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section A.2.3.1.3 and Section A.2.3.3. The Contractor shall comply with all obligations of the Owner under Section A.2.3 except to the extent provided below. The Contractor shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Contractor shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:
(Where the Contractor's obligation to provide property insurance differs from the Owner's obligations as described under Section A.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)~~

~~[–] **§ A.3.3.2.2 Railroad Protective Liability Insurance**, with policy limits of not less than ($) per claim and ($) in the aggregate, for Work within fifty (50) feet of railroad property.~~

Additions and Deletions Report for AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

[–] **§ A.3.3.2.3 Asbestos Abatement Liability Insurance**, with policy limits of not less than ($) per claim and ($) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

[–] **§ A.3.3.2.4** Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.

[–] **§ A.3.3.2.5** Property insurance on an "all-risks" completed value form, covering property owned by the Contractor and used on the Project, including scaffolding and other equipment.

[–] **§ A.3.3.2.6 Other Insurance**

(List below any other insurance coverage to be provided by the Contractor and any applicable limits.)

Coverage	**Limits**

§ A.3.4 Performance Bond and Payment Bond

...

Payment Bond	Full contract value
Performance Bond	Full contract value

...

None

Additions and Deletions Report for AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:38:58 CT on 11/02/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1364020783)

Exhibit B – Project Charter

Project Name and Number

Field Elementary School Renovations - OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419
20FIEL001

Description

Renovate the existing entry and office area to provide a secure vestibule adjacent to the entrance to the school. Upgrade kitchen facilities to reflect current District food service operations. Updates to certain building systems that are beyond their system lifecycle.

Contract Sum

The Contract Sum shall be **$4,943,000.00**

Contract Sum details

Item	Price	Status
Base Bid	$3,694,000	accepted
Alt #1: Gym Ceiling	$187,000	accepted
Alt #2: Gym Divider Curtain	$43,000	accepted
Alt #3: Classrooms, Offices, Admin	$658,000	accepted
Alt #4: Corridor Ceilings	$270,000	accepted
Alt #5: Sitework	$91,000	accepted

BID FORM - Part 1 of 4

Project: Field Elementary School Renovations
4645 4th Avenue South
Minneapolis, MN 55419

To: Minneapolis Public Schools (MPS)
Special School District No. 1
1250 West Broadway Avenue
Minneapolis, MN 55411

Official Publication Number: 23-2305

Architect: LHB, Inc.
701 Washington Avenue N, Suite 200
Minneapolis, MN 55401

BIDDER: Shaw-Lundquist Associates, Inc.

BASE BID

a. I have examined the work site and the Bidding Documents, and hereby propose and agree to furnish all labor, materials, and equipment required to complete the Work.

b. Base Bid:
Written: Three Million Six Hundred Ninety Four Thousand DOLLARS
Numerical: $ 3,694,000

ALTERNATES

Refer to Section 01 2300 Alternates for a complete description of Alternates.

a. **Add Alternate Bid No. 1:** If the Owner elects to proceed with Alternate No. 1, Gymnasium Ceiling, add the sum:
Written: One Hundred Eighty Seven Thousand DOLLARS
Numerical: $ 187,000

a. **Add Alternate Bid No. 2:** If the Owner elects to proceed with Alternate No. 2, Gymnasium Retractable Divider Curtain, add the sum:
Written: Forty Three Thousand DOLLARS
Numerical: $ 43,000

a. **Add Alternate Bid No. 3:** If the Owner elects to proceed with Alternate No. 3, Classrooms, Offices, and Other Administrative Spaces, add the sum:
Written: Six Hundred Fifty-Eight Thousand DOLLARS
Numerical: $ 658,000

a. **Add Alternate Bid No. 4:** If the Owner elects to proceed with Alternate No. 4, Corridor Ceilings, add the sum:

Written: Two Hundred Seventy Thousand DOLLARS

Numerical: $ 270,000

a. **Add Alternate Bid No. 5:** If the Owner elects to proceed with Alternate No. 5, Sitework, add the sum:

Written: Ninety One Thousand DOLLARS

Numerical: $ 91,000

ADDENDA

a. I acknowledge receipt of the following Addenda and have incorporated their provisions into the bid.

No. 1 Date 09/27/2022 No. 2 Date 10/03/2022

No. _____ Date _____ No. _____ Date _____

CONTRACT TIME

a. I agree to substantially complete the Work by [08/17/2023].

SITE VISIT

a. I have visited the work site to verify existing conditions in regard to the Contract Documents.

BID GUARANTY PERIOD

a. I agree to hold these bids open for a period of sixty (60) days after the bid opening. If this bid is accepted within that period, I agree to execute a contract with the Owner, and to furnish a Labor and Materials Payment Bond and a Performance Bond in the full amount of the Contract.

PROJECT LABOR AGREEMENT (See Document 00 73 00, Supplementary Conditions)

a. If awarded a Contract, all labor employed on the Project will comply with the paying of the Project Labor Agreement (PLA). X yes ___ no

BID BOND

a. I enclose a Bid Bond, certified check, or cashier=s check in the amount of two percent (2%) of the maximum bid, payable to AMinneapolis Public Schools@.

EQUAL EMPLOYMENT AND AFFIRMATIVE ACTION (See Appendix to Document 00 21 13, Instruction to Bidders)

a. I agree to comply with requirements for Equal Employment Opportunity and Affirmative Action.

DOCUMENT 00 41 00

BID FORM - Part 2 of 4
DIVERSITY REQUIREMENTS AND REPORTING

I understand that diversity is important to Minneapolis Public Schools and that as part of this Bid, I agree that I will, to the best of my ability and if within the project scope, solicit and use diverse vendors where possible. I also understand the key elements of a diversity program and what qualifies as a diverse vendor[1].

a. ___ My company does not qualify as a diverse vendor; if **yes** skip the remaining questions.

b. If your company qualifies as diverse, please check all appropriate boxes that pertain to your enterprise certifications.

____ Disadvantaged Business	____X Minority Owned and Controlled
____ Women Owned and Controlled	____ Service Disable Veteran
____ 8A Certified	____ Veteran Owned
____ GBLT Business	____ Emerging Business
____ Small Business	____ Disabled Business

c. If your company qualifies as a diverse vendor, you must submit your certification, Letter of Good Standing, or an Affirmation Affidavit[2] as part of your Bid package.

d. For all Bids, you must complete Part 3 of 4 of the Bid Form, **DIVERSITY SUBCONTRACTOR PERFORMANCE**. The project forecast section must be completed and submitted as part of your Bid.

e. I agree that 5% of the total Bid value will be held until Part 3 of 4, **DIVERSITY SUBCONTRACTOR PERFORMANCE**, is submitted with the project actual section completed.

f. **RECORDS MANAGEMENT AND MAINTENANCE** - District shall have the right to inspect and copy all records pertaining to the use and certification of diverse subcontractors to verify Contractor's compliance with the diversity requirements of this Contract.

---

[1] Please see included document - Diverse Vendor Definitions.
[2] Please see included documents - Certificate Affirmation Document and/or Vendor Affirmation Document

DOCUMENT 00 41 00

BID FORM - Part 3 of 4
DIVERSITY SUBCONTRACTOR PERFORMANCE

The following are the MBE and/or WBE Subcontractors/Suppliers that we solicited and/or intend to subcontract to or purchase materials from.

The Project Forecast section must be completed as part of your Bid submittal. If no spend is anticipated with Diverse subcontractors, then fill in zero (0) on the first Total Dollar Amount line.

If you are the selected Supplier, the Project Actuals section must be completed and submitted to Minneapolis Public Schools before the final milestone payment is released for payment.

Project Forecast:

Subcontractor/Supplier	MBE/WBE	Trade/Material	Total Dollar Amount
Shaw-Lundquist Associates, Inc.	MBE	General Construction	$ 100% of Contract Value
Go Fetsch Mechanical	MBE/WBE	Mechanical	$
Gunnar Electric	WBE	Electrical	$
Painting By Nakasone	MBE	Painting	$
Sota Construction	MBE/WBE	Drywall	$
Camacho Contractors	MBE/WBE	Roofing	$
Tri Construction	MBE	Drywall	$

Project Actuals:

Subcontractor/Supplier	MBE/WBE	Trade/Material	Total Dollar Amount
Shaw-Lundquist Associates, Inc.	MBE	General Construction	$ 100% of Contract Value
			$
			$
			$
			$
			$
			$

DOCUMENT 00 41 00

BID FORM - Part 4 of 4
Minneapolis Public Schools
DIVERSE VENDOR AFFIDAVIT

STATE OF Minnesota }
} ss
COUNTY OF Dakota }

Affidavit of Shaw-Lundquist Associates, Inc.

Thomas J. Meyers, Vice President, being duly sworn as owner/operator of or as designated representative of owner/operator of Shaw-Lundquist Associates, Inc. does state the following:

1. That I am attesting with Special School District No. 1 (Minneapolis Public Schools) to the assertion that the aforementioned organization does fall within the recognized diversity category of Minority Owned and Controlled.

2. That I am attesting with Special School District No. 1 (Minneapolis Public Schools) to the assertion that said organization does fall within the aforementioned diversity category due to Asian Ownership and Control.

3. That I understand that this document is legal in nature.

4. That I understand that should Special School District No. 1 (Minneapolis Public Schools) come to learn that my above assertions are false, this revelation can have an effect on said organization's ability to work with the school district in any given capacity in the future.

Thomas J. Meyers, Vice President
PRINT FULL NAME

SIGNATURE

Sworn to and subscribed before me this 11th day of October, 2022.

Affix Notary Seal Here

Notary Public
My commission expires on 01-31-2026

CONNIE M DOMAN
Notary Public
Minnesota
My Commission Expires
Jan 31, 2026

Bid Bond

CONTRACTOR:
(Name, legal status and address)
Shaw-Lundquist Associates, Inc.

2757 W Service Road

St. Paul, MN 55121

SURETY:
(Name, legal status and principal place of business)
Fidelity and Deposit Company of Maryland
1299 Zurich Way, 5th Floor
Schaumburg, IL 60196-1056

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.
Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:
(Name, legal status and address)
Special School District No. 1, Minneapolis Public Schools

1250 W. Broadway Ave.
Minneapolis, MN 55411-2533

BOND AMOUNT:
Two Percent (2%) of Total Amount Bid

PROJECT:
(Name, location or address, and Project number, if any)
Official Publication No. 23-2305; MPS Field Elementary School Renovations

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this **11th** day of **October, 2022.**

	Shaw-Lundquist Associates, Inc.
	(Principal) *(Seal)*
(Witness)	
	(Title) THOMAS J. MEYERS, VICE PRESIDENT
	Fidelity and Deposit Company of Maryland
	(Surety) *(Seal)*
(Witness)	
	(Title) **Joshua R. Loftis, Attorney-in-Fact**

By arrangement with the American Institute of Architects, the National Association of Surety Bond Producers (NASBP) (www.nasbp.org) makes this form document available to its members, affiliates, and associates in Microsoft Word format for use in the regular course of surety business. NASBP vouches that the original text of this document conforms exactly to the text in AIA Document A310-2010, Bid Bond.

CORPORATE ACKNOWLEDGMENT

State of **Minnesota**)
) ss
County of DAKOTA)

On this **11th** day of **October** **2022**, before me appeared THOMAS J. MEYERS, to me personally known, who, being by me duly sworn, did say that he/she is the VICE PRESIDENT of **Shaw-Lundquist Associates, Inc.**, a corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was executed in behalf of said corporation by authority of its Board of Directors, and that said THOMAS J. MEYERS acknowledged said instrument to be the free act and deed of said corporation.

CONNIE M DOMAN
Notary Public
Minnesota
My Commission Expires
Jan 31, 2026

Connie M Doman

Notary Public DAKOTA County, MINNESOTA
My commission expires 01-31-2026

SURETY ACKNOWLEDGMENT

State of **Minnesota**)
) ss
County of **Hennepin**)

On this **11th** day of **October** **2022**, before me appeared **Joshua R. Loftis**, to me personally know, who being by me duly sworn, did say that (s)he is the Attorney-in-Fact of **Fidelity and Deposit Company of Maryland**, a corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was executed in behalf of said corporation by authority of its Board of Directors; and that said **Joshua R. Loftis** acknowledged said instrument to be the free act and deed of said corporation.

LIN ULVEN
NOTARY PUBLIC - MINNESOTA
My Commission Expires
January 31, 2025

Notary Public Ramsey County, Minnesota
My commission expires 1/31/2025

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **R. W. FRANK, Brian J. OESTREICH, Melinda C. BLODGETT, Nathan WEAVER, Joshua R. LOFTIS, R.C. BOWMAN, Ted JORGENSEN, Nicole STILLINGS and C. WHITE, of Minneapolis, Minnesota,** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings,** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 18th day of November, A.D. 2021.

ATTEST:
ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

By: Robert D. Murray
Vice President

By: Dawn E. Brown
Secretary

State of Maryland
County of Baltimore

On this 18th day of November, A.D. 2021, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposeth and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify of revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this **11th** day of **October**, **2022**.



MJ Pethick

By: Mary Jean Pethick
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
www.reportsfclaims@zurichna.com
800-626-4577

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

DOCUMENT 02 22 20 - ATTACHMENT A - PRIME CONTRACTOR

RESPONSE RESPONSIBLE CONTRACTOR VERIFICATION AND CERTIFICATION OF COMPLIANCE

PROJECT TITLE: MPS Field Elementary School Renovations

Minn. Stat. § 16C.285, Subd. 7. **IMPLEMENTATION.** … Any prime contractor or subcontractor that does not meet the minimum criteria in subdivision 3 or fails to verify that it meets those criteria is not a responsible contractor and is not eligible to be awarded a construction contract for the project or to perform work on the project…	
Minn. Stat. § 16C.285, Subd. 3. **RESPONSIBLE CONTRACTOR, MINNIMUM CRITERIA**. "Responsible contractor" means a contractor that conforms to the responsibility requirements in the solicitation document for its portion of the work on the project and verifies that it meets the following minimum criteria:	
(1)	The Contractor: (i) is in compliance with workers' compensation and unemployment insurance requirements; (ii) is currently registered with the Department of Revenue and the Department of Employment and Economic Development if it has employees; (iii) has a valid federal tax identification number or a valid Social Security number if an individual; and (iv) has filed a certificate of authority to transact business in Minnesota with the Secretary of State if a foreign corporation or cooperative.
(2)	The contractor or related entity is in compliance with and, during the three-year period before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44, 181.13, 181.14, or 181.722, and has not violated United States Code, title 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes of this clause, a violation occurs when a contractor or related entity: (i) repeatedly fails to pay statutorily required wages or penalties on one or more separate projects for a total underpayment of $25,000 or more within the three-year period; (ii) has been issued an order to comply by the commissioner of Labor and Industry that has become final; (iii) has been issued at least two determination letters within the three-year period by the Department of Transportation finding an underpayment by the contractor or related entity to its own employees; (iv) has been found by the commissioner of Labor and Industry to have repeatedly or willfully violated any of the sections referenced in this clause pursuant to section 177.27; (v) has been issued a ruling or findings of underpayment by the administrator of the Wage and Hour Division of the United States Department of Labor that have become final or have been upheld by an administrative law judge or the Administrative Review Board; or (vi) has been found liable for underpayment of wages or penalties or misrepresenting a construction worker as an independent contractor in an action brought in a court having jurisdiction. Provided that, if the contractor or related entity contests a determination of underpayment by the Department of Transportation in a contested case proceeding, a violation does not occur until the contested case proceeding has concluded with a determination that the contractor or related entity underpaid wages or penalties;*

(3)	The contractor or related entity is in compliance with and, during the three-year period before submitting the verification, has not violated section 181.723 or chapter 326B. For purposes of this clause, a violation occurs when a contractor or related entity has been issued a final administrative or licensing order;*
(4)	The contractor or related entity has not, more than twice during the three-year period before submitting the verification, had a certificate of compliance under section 363A.36 revoked or suspended based on the provisions of section 363A.36, with the revocation or suspension becoming final because it was upheld by the Office of Administrative Hearings or was not appealed to the office;*
(5)	The contractor or related entity has not received a final determination assessing a monetary sanction from the Department of Administration or Transportation for failure to meet targeted group business, disadvantaged business enterprise, or veteran-owned business goals, due to a lack of good faith effort, more than once during the three-year period before submitting the verification;*
	* Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5), occurring prior to July 1, 2014, shall not be considered in determining whether a contractor or related entity meets the minimum criteria.
(6)	The contractor or related entity is not currently suspended or debarred by the federal government or the state of Minnesota or any of its departments, commissions, agencies, or political subdivisions; and
(7)	All subcontractors that the contractor intends to use to perform project work have verified to the contractor through a signed statement under oath by an owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

Minn. Stat. § 16C.285, Subd. 5. **SUBCONTRACTOR VERIFICATION**.

A prime contractor or subcontractor shall include in its verification of compliance under subdivision 4 a list of all of its first-tier subcontractors that it intends to retain for work on the project.

prime contractor or any subcontractor retains additional subcontractors on the project after submitting its verification of compliance, the prime contractor or subcontractor shall obtain verifications of compliance from each additional subcontractor with which it has a direct contractual relationship and shall submit a supplemental verification confirming compliance with subdivision 3, clause (7), within 14 days of retaining the additional subcontractors.

prime contractor shall submit to the contracting authority upon request copies of the signed verifications of compliance from all subcontractors of any tier pursuant to subdivision 3, clause (7). A prime contractor and subcontractors shall not be responsible for the false statements of any subcontractor with which they do not have a direct contractual relationship. A prime contractor and subcontractors shall be responsible for false statements by their first-tier subcontractors with which they have a direct contractual relationship only if they accept the verification of compliance with actual knowledge that it contains a false statement.

Minn. Stat. § 16C.285, Subd. 4. **VERIFICATION OF COMPLIANCE.**
A contractor responding to a solicitation document of a contracting authority shall submit to the contracting authority a signed statement under oath by an owner or officer verifying compliance with each of the minimum criteria in subdivision 3 at the time that it responds to the solicitation document. A contracting authority may accept a sworn statement as sufficient to demonstrate that a contractor is a responsible contractor and shall not be held liable for awarding a contract in reasonable reliance on that statement. Failure to verify compliance with any one of the minimum criteria or a false statement under oath in a verification of compliance shall render the prime contractor or subcontractor that makes the false statement ineligible to be awarded a construction contract on the project for which the verification was submitted. A false statement under oath verifying compliance with any of the minimum criteria may result in termination of a construction contract that has already been awarded to a prime contractor or subcontractor that submits a false statement. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that the contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria.

CERTIFICATION	
By signing this document I certify that I am an owner or officer of the company, and I swear under oath that: 1) My company meets each of the Minimum Criteria to be a responsible contractor as defined herein and is in compliance with Minn. Stat. § 16C.285, 2) I have included Attachment A-1 with my company's solicitation response, and 3) if my company is awarded a contract, I will also submit Attachment A-2 as required.	
Authorized Signature of Owner or Officer: 	Printed Name: Thomas J. Meyers
Title: Vice President	Date: October 11, 2022
Company Name: Shaw-Lundquist Associates, Inc.	

NOTE: MINN. STAT. § 16C.285, SUBD. 2, (C) IF ONLY ONE PRIME CONTRACTOR RESPONDS TO A SOLICITATION DOCUMENT, A CONTRACTING AUTHORITY MAY AWARD A CONSTRUCTION CONTRACT TO THE RESPONDING PRIME CONTRACTOR EVEN IF THE MINIMUM CRITERIA IN SUBDIVISION 3 ARE NOT MET.

DOCUMENT 02 22 21 - ATTACHMENT A-1 - FIRST-TIER SUBCONTRACTORS

LIST SUBMIT WITH PRIME CONTRACTOR RESPONSE

PROJECT TITLE: MPS Field Elementary School Renovations

Minn. Stat. § 16C.285, Subd. 5. A prime contractor or subcontractor shall include in its verification of compliance under subdivision 4 a list of all of its first-tier subcontractors that it intends to retain for work on the project.

FIRST TIER SUBCONTRACTOR NAMES **(LEGAL NAME OF COMPANY AS REGISTERED WITH THE SECRETARY OF STATE)**	**NAME OF CITY WHERE COMPANY HOME OFFICE IS LOCATED**

MINNEAPOLIS PUBLIC SCHOOLS
Special School District No. 1

PREVAILING WAGE CERTIFICATE

CONTRACTOR: SUBMIT THIS FORM WITH THE ORIGINAL COPY OF YOUR BID

Laborers and Mechanics shall be paid according to the Contracts for Public Work, in accordance with Minneapolis Code of Ordinances, Chapter 24, Section 24.200 through 24.250 as amended, and the minimum wage rates and fringe benefits paid to the various classes shall be as determined by the Secretary of Labor of the United States for work in the City. In addition to the certificates and other evidences of compliance which are required under these Specifications and under Minneapolis Code of Ordinances, Section 24.240, it shall be required that the person or company representative submitting a bid for this contract shall certify in writing that both she/he/it and their Subcontractors shall comply with the wage and labor standards provisions of Minneapolis Code of Ordinances, Section 24.200 through 24.250 as amended. Failure to comply with this ordinance shall mean the District may, by written notice to the Contractor, terminate his/her right to proceed with the work and the Contractor and his/her Sureties shall be liable to the District for any excess cost occasioned to the District for the completion of the work.

By submitting this bid, it is understood and agreed that if it is accepted, in whole or in part, by the Minneapolis Public Schools that any work done by the Contractor or by the Contractor's agents or Subcontractors under a contract with the Minneapolis Public Schools shall be in conformity with provisions of Minneapolis Code of Ordinances, Chapter 24, Sections 24.200 through 24.250, or Park Board Code of Ordinances, Chapter 6, Sections PB 6-1 through PB 6-5.



Signature Thomas J. Meyers, Vice President

Shaw-Lundquist Associates, Inc.
Company Name

RETURN THIS FORM WITH YOUR BID

DEPARTMENT OF HUMAN RIGHTS

WORKFORCE
CERTIFICATE OF COMPLIANCE

The Commissioner of the Minnesota Department of Human Rights by the signature below attests that **SHAW-LUNDQUIST ASSOCIATES, INC.** is hereby certified as a contractor under the Minnesota Human Rights Act, § 363A.

Certificate start date: **3/11/2022**

Certificate expiration date: **3/10/2026**

Minnesota Department of Human Rights

FOR THE DEPARTMENT BY:



Rebecca Lucero, Commissioner

SHAW-LUNDQUIST
ASSOCIATES INC

Equal Employment Opportunity Policy Statement

This is to affirm Shaw-Lundquist Associates Inc. policy on providing Equal Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity / Affirmative Action laws, directives and regulations of Federal, State and Local Governing bodies or agencies thereof, specifically Minnesota Statutes §363.

Shaw-Lundquist Associates Inc. will not discriminate against or harass any employee or applicant for employment because of race, color, creed, religion, national origin, gender, gender identify, disability, age, marital status, or status with regard to public assistance, disability, sexual orientation, age, family care leave status, or veteran status.

Shaw-Lundquist Associates Inc. will take Affirmative Action to ensure that all employment practices are free of such discriminations. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, application, testing, selection, hiring, placement, orientation, on-the-job and external training, educational assistance, transfer opportunity, promotion, company sponsored social and recreational activities, benefits, recall, layoff or termination, disciplinary action, rates of pay or other forms of compensation, and selection for training including apprenticeship and all other terms and conditions of employment.

Shaw-Lundquist Associates Inc. will commit the necessary time and resources, both financial and human, to achieve the goals of Equal Opportunity and Affirmative Action.

Shaw-Lundquist Associates Inc. fully supports incorporation of non-discrimination and Affirmative Action rules and regulations into contracts.

Shaw-Lundquist Associates Inc. will evaluate the performance of its management and supervisory personnel on the basis of their involvement in achieving these Affirmative Action objectives as well as other established criteria. Any employee of this company, or subcontractors to this employer, who does not comply with Equal Employment Opportunity policies and procedures as set forth in this Statement and Plan will be subject to disciplinary action. Any subcontractor not complying with all applicable Equal Employment Opportunity / Affirmative Action laws, directives and regulations of the Federal, State and Local governing bodies or agencies thereof, specifically Minnesota Statutes §363, will be subject to appropriate legal sanctions.

Shaw-Lundquist Associates Inc. has appointed Cynthia Trousdale, the EEO Coordinator, to manage the Equal Employment Opportunity Program. Her responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of this Affirmative Action Program, as required by Federal, State and Local agencies. The Chief Financial Officer of this company will receive and review reports on the progress of the program. If any employee or applicant for employment believes he/she has been discriminated against, please contact **Cynthia Trousdale, 2757 West Service Road, St. Paul, MN, 55121, or call 651/454-0670.**

Cynthia Trousdale
Chief Financial Officer, Shaw-Lundquist Associates Inc.

SHAW-LUNDQUIST
ASSOCIATES INC

POLICY ON NON-HARASSMENT

1. For sound business reasons, independent of any federal, state, or local law, Shaw-Lundquist Associates prohibits the sexual harassment of any employee either in the workplace or in any work-related setting. Shaw-Lundquist also prohibits any other harassment based on race, color, religion, gender, national origin, age, or disability.
2. It is sexual harassment for a manager or supervisor to promise a job benefit to another employee, or to threaten another employee with adverse action, to obtain sexual favors from that employee.

In addition, it is harassment for any employee to engage in any conduct or activity, or to display any graphic material, that fits either of the following descriptions:
(1) it is sexual in nature, (2) it is unwelcome and (3) it unreasonably interferes with an employee's work performance, or creates a hostile or offensive work environment; or
(1) it is based on an employee's race, color, religion, gender, national origin, age or disability, (2) it denigrates or shows hostility toward an employee, and (3) it unreasonably interferes with an employee's work performance or creates a hostile or offensive work environment.

The conduct, activity and graphic materials that frequently cause harassment include but are not limited to abusive and vulgar comments; epithets, slurs and off-color jokes; sexual advances, invitations and inquiries; physically threatening acts; and sexual and/or denigrating pin-ups, posters, photographs or cartoons.

3. Shaw-Lundquist not only insists on a work environment free of all such harassment but also urges all employees actively to support the company's effort to create and maintain a positive work environment.

SHAW-LUNDQUIST
ASSOCIATES INC

Shaw-Lundquist encourages any employee who believes that he or she is being harassed to report that fact to his or her immediate superior or to one of the following individuals:
Brian Jacobson, General Superintendent 651-454-0670
Cindy Trousdale, CFO/EEO-AA Officer 651-454-0670

4. Shaw-Lundquist will promptly investigate and attempt to resolve all reports of harassment. The scope and other details of each investigation will depend on the nature of the report and the related circumstances. In each instance, Shaw-Lundquist will, however, handle the matter with as much discretion as the circumstances permit, to protect the privacy of the persons involved.

5. Shaw-Lundquist will provide a prompt and effective remedy for any harassment that it can verify. In addition, the company will take disciplinary action against any employee that it finds guilty of violating this policy, up to and including discharge.

6. No manager, supervisor or other employee may in any way retaliate against any other employee for making a good faith report of sexual harassment, or a good faith report of any other harassment based on race, color, religion, gender, national origin, age or disability. Shaw-Lundquist will treat any retaliation as a separate and independent violation of this policy.

7. If an investigation leads the company to conclude an employee has knowingly made false accusations of harassment, the company may also take disciplinary action against that employee.

*Employee to retain this page and return signed acknowledgement.

SHAW-LUNDQUIST
ASSOCIATES INC

ACKNOWLEDGEMENT OF RECEIPT OF
NON-HARASSMENT POLICY

Acknowledgement

I acknowledge that I have received a written copy of the Shaw-Lundquist Associates, Inc.'s Non-Harassment Policy. I understand the terms of this policy and agree to abide by them. I understand that any violation of this policy could lead to my dismissal from employment or even criminal prosecution.

_____

Printed Name

_____ _____

Signature **Date**

SHAW-LUNDQUIST
ASSOCIATES INC

Statement of Posting Policies

This is to affirm Shaw-Lundquist Associates Inc. policy on posting our Statements of Non-Discrimination and Non-Harassment in conspicuous places, available to employees and applicants for employment. Where applicable, Shaw-Lundquist Associates shall, in all solicitations or advertisements for employees placed by or on behalf of Shaw-Lundquist, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, gender, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, age, family care leave status, or veteran status.

Attachment A

Shaw-Lundquist Affirmative Action Employee List Updated 07/23/2020

Job Category	Number of Employees	Race	Gender
President/CEO	1	Asian	Male
CFO	1	Caucasian	Female
Vice President	1	Asian	Male
Vice President	1	Caucasian	Male
Vice President	1	Caucasian	Male
Operations/Sr Project Mgr	1	Caucasian	Male
Safety Director	1	Caucasian	Male
Estimator/Pre-Con Mgr	1	Caucasian	Male
Estimator/Project Manager	1	Caucasian	Male
Estimator/Project Manager	1	Caucasian	Male
Estimator/Project Manager	1	Caucasian	Male
Project Manager	1	Caucasian	Female
Project Manager	1	Caucasian	Female
Project Manager	1	Caucasian	Male
Project Manager	1	Caucasian	Male
Construction Coordinator	1	Caucasian	Female
Construction Coordinator	1	Caucasian	Female
General Superintendent	1	Caucasian	Male
Marketing/ Business Development	1	Caucasian	Female
Marketing Coordinator	1	Caucasian	Female
Inclusion Coordinator/Estmating Coordinator	1	Caucasian	Female
Controller	1	Caucasian	Male
Accounting/Payroll	0	Caucasian	Male
Accounting	1	Caucasian	Female
Accounting	1	Caucasian	Female
Receptionist	1	Caucasian	Female
Equipment Manager/Warehouse	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Caucasian	Male
Superintendent	1	Asian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Black	Female
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Black	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Asian/Pacific	Male
Foreman/Carp/Lab	1	Caucasian	Male

Foreman/Carp/Lab	1	Caucasian	Female
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Asian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Caucasian	Male
Foreman/Carp/Lab	1	Hispanic	Male
Foreman/Carp/Lab	1	Caucasian	Male
Total Female:	**13**		
Total Male:	**49**		
Total Minority:	**9**		
Total Office Employees	**62**		
% Female Employees	**21%**		
% Minority Employees	**15%**		
Total # Workforce Minority, Female, Disabled	**6**		
Total % of Workforce Minority , Female Disabled	**24%**		
Total Workforce	**25**		

THIS CERTIFIES THAT

Shaw-Lundquist Associates, Inc.

dba Shaw-Lundquist Associates

NMSDC
National Minority Supplier Development Council

* Nationally certified by the: **NORTH CENTRAL MINORITY SUPPLIER DEVELOPMENT COUNCIL**

*NAICS Code(s): 236116; 236210; 236220; 238110; 238350; 238390; 238310

* Description of their product/services as defined by the North American Industry Classification System (NAICS)

10/09/2021		WS02515
Issued Date		**Certificate Number**
12/31/2022	**Ying McGuire** **NMSDC CEO and President**	
Expiration Date		**Heather N. Olson**

By using your password (NMSDC issued only), authorized users may log into NMSDC Central to view the entire profile: http://nmsdc.org

Certify, Develop, Connect, Advocate.

* MBEs certified by an Affiliate of the National Minority Supplier Development Council, Inc.®

Certificate of Corporate Resolution

Shaw-Lundquist Associates, Inc.

Authorization to Submit Proposal

I, Hoyt Hsiao, Secretary of Shaw-Lundquist Associates, Inc., do hereby certify that at a duly constituted meeting of the Directors of the Corporation held at the office of the Corporation on 11th day of October 2022, it was upon motion duly made and seconded, that it be VOTED:

For the Corporation to submit a Proposal for the: Minneapolis Public Schools Field Elementary School Renovations located in Minneapolis, Minnesota.

It was upon further motion made and seconded that it be VOTED: That Thomas J. Meyers, as Vice President of the Corporation, be empowered, authorized, and directed to execute, deliver, and accept any, and all documents and undertake all acts reasonably required or incidental to accomplish the foregoing vote, all on such terms and conditions as he in his discretion deems to be in the best interests of the Corporation.

I further certify that the foregoing votes are in full force without rescission, modification, or amendment.

Signed under seal this 11th day of October in the Year of 2022.

A TRUE RECORD

ATTEST

Secretary – Hoyt Hsiao

Shaw-Lundquist Associates, Inc.
2757 West Service Road
St. Paul, Minnesota 55121
State of Incorporation: MINNESOTA

EXHIBIT C Owner Insurance

Insurance Requirements

1. CONSULTANT'S INSURANCE – to be used with AIA B101-2017, AIA C103-2015, or similar non-contractor consultants:
   The Consultant shall at its own expense maintain in effect at all times during the performance of the Work under the Agreement at least the following coverage and limits of insurance:

   a. Worker's Compensation and Employer's Liability Insurance

      i. Coverage A is statutory.

      ii. Coverage B
      $500,000 Each Accident
      $500,000 Each Employee
      $500,000 Policy Limit (Disease)

   b. Comprehensive General Liability Insurance *

General Aggregate	$1,000,000
Products/Completed Operations Aggregate	$1,000,000
Per Occurrence	$1,000,000
Medical Payments	$10,000

   * The Owner should be named as an additional insured for Comprehensive General Liability Insurance.

   c. Automobile Insurance

Per Occurrence	$1,000,000
PIP	Basic
Underinsured Motorist	$1,000,000
Uninsured Motorist	$1,000,000

   d. Professional Liability Insurance

      i. Per Claim $2,000,000

ii. For projects with an estimated construction Contract Sum of over $10,000,000 or major structural work an aggregate is required as follows:
Aggregate $4,000,000

e. Umbrella Liability Insurance

i. Per Occurrence $2,000,000

ii. For projects with an estimated construction Contract Sum of over $10,000,000 or major structural work an aggregate is required as follows:
Aggregate $2,000,000

f. Manned or Unmanned Aircraft Coverage (if used)

i. Per Claim $1,000,000

ii. Aggregate $1,000,000

For specialty consultants used for commissioning activities, studies, asbestos surveys and security, items A, B, C and F shall apply.

Special Asbestos Abatement Liability Insurance is required for Asbestos Abatement Contractors. The limits are $1,500,000 per claim, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

2. CONSULTANT'S OBLIGATIONS

Consultant shall not violate or knowingly permit any violation of any conditions or terms of the policies of insurance required to be carried under the terms hereof and shall endeavor to satisfy the requirements of the insurance companies issuing them. In the event Consultant neglects, refuses or fails to provide or maintain any of the insurance required to be carried under the Agreement, or if such insurance is canceled for any reason, the Owner or the Owner's lender(s) shall have the right, but not the duty, to procure or maintain the same.

In the event the Owner or the Owner's lender(s) do procure or maintain such insurance, the Owner or the Owner's lender(s) shall have, in additional to any and all other available remedies, the right to recover from the Consultant (including the right of set-off against sums otherwise due the Consultant) all of the costs associated with procuring or maintaining such insurance.

3. PROFESSIONAL LIABILITY INSURANCE

   a. Professional Liability Coverage of $2,000,000 shall be maintained for one (1) year from the date of Substantial Completion. If the Consultant discontinues its business and if directed by Owner in writing, Consultant shall purchase such insurance in such amount for an extended discovery period beyond the one (1) year after the date of Substantial Completion, with the premium cost to be a reimbursable expense paid by the Owner. The limit of liability for such policy may not be reduced below $2,000,000 without the Owner giving its prior, written consent. All policies of insurance that Consultant is required under the terms of this Exhibit C Owner's Insurance to secure and maintain shall bear the endorsement "Not to be canceled until sixty (60) calendar days after Owner has received a written notice from insurer as evidence by a return receipt of registered or certified mail."

   b. The Owner shall not be responsible for obtaining or paying premiums or other expenses in connection with insurance required to be carried under the Agreement or normally carried by the Consultant's consultants, and the obligation to obtain such insurance and to pay such premiums and other expenses shall be solely that of the Consultant.

   c. The Consultant shall bear all the costs of any and all deductible amounts under any insurance policies required to be carried under the Agreement and shall remain solely and fully liable for the full amount of any claim or item not compensated by insurance (to the extent that any amount resulted from damages that arose out of the Consultant's sole negligence.)

4. COVERAGE
   The coverage's referred to above are set forth in full in the respective policy forms, and the foregoing descriptions of such policies are not intended to be complete.

5. GENERALLY

   a. The Consultant thereby represents and warrants to the Owner that, as of the date of the execution of the Agreement, the Consultant is not aware of any claims or potential claims which have been made, filed or threatened against any of the insurance or for damages covered by any of the insurance required to be carried under the Agreement that would affect the Consultant's ability to provide the insurance coverage required by this agreement.

b. It is understood that the provisions in the Agreement requiring the Consultant to carry insurance shall not be construed as in any manner waiving or restricting the liability of the Consultant as to any obligations imposed under the Agreement, including, but not limited to, obligations imposed under the provisions of Article 11 of the AIA A201-2017 General Conditions.

Insurance requirements for Contractors

1. CONTRACTOR'S INSURANCE – to be used with AIA A101-2017
   The Contractor shall at its own expense maintain in effect at all times during the performance of the Work under the Agreement at least the following coverage and limits of insurance:

   a. Commercial General Liability

      i. General Aggregate $1,500,000

      ii. Products/Completed Operations Aggregate $1,500,000

      iii. Per Occurrence $1,500,000

      The Owner shall be named as additional insured for Commercial General Liability Insurance

   b. Automobile Insurance

      i. Per Occurrence $1,000,000

      ii. PIP Basic

      iii. Underinsured Motorist $1,000,000

      iv. Uninsured Motorist $1,000,000

   c. Workers Compensation

      i. Coverage A is statutory.

      ii. Coverage B $500,000 Each Accident

      iii. $500,000 Each Employee

d. Professional Liability (if the Contractor is hiring professionals)

   i. Per Claim $2,000,000

   For Projects with an estimated construction cost of over $10,000,000 or major structural work, additional Aggregate coverage of $4,000,000 is required.

e. Manned or Unmanned Aircraft Coverage (if used)

   i. Per Claim $1,000,000

   ii. Aggregate $1,000,000

f. Property Insurance

   i. Per Claim $1,000,000

   ii. Aggregate $1,000,000

   This insurance is only required for materials stored offsite and not incorporated into the project at delivery. For material stored on site, no additional insurance is required.

g. Builders “all risk” Insurance

   i. Per Claim $2,000,000

   ii. Aggregate $4,000,000

   This insurance is only required for additions exceeding $10,000,000. Renovations to existing schools are not required to have builders all risk insurance.

h. Umbrella Liability

   i. Aggregate limit $5,000,000

   This insurance is required only for projects larger than $10,000,000 in total construction costs.

Exhibit D – Project Schedule

Project Name and Number

Field Elementary School Renovations - OP#23-2305
4645 4th Avenue South
Minneapolis, MN 55419
20FIEL001

Description

Renovate the existing entry and office area to provide a secure vestibule adjacent to the entrance to the school. Upgrade kitchen facilities to reflect current District food service operations. Updates to certain building systems that are beyond their system lifecycle.

Schedule

Construction Start

The Work will start no earlier than **June 22, 2023**.

Substantial Completion

The Work will be substantially complete on or before **August 17, 2023**.

AIA® Document E203™ – 2013

Building Information Modeling and Digital Data Exhibit

This Exhibit dated the 13 day of March in the year 2018 is incorporated into the agreement (the "Agreement") between the Parties for the following Project:
(Name and location or address of the Project)

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 intended to be incorporated into an agreement between the parties and used in conjunction with AIA Documents G201™–2013, Project Digital Data Protocol Form, and G202™–2013, Building Information Modeling Protocol Form. It is anticipated that other Project Participants will incorporate a project specific E203–2013 into their agreements, and that the Parties and other Project Participants will set forth the agreed-upon protocols in AIA Documents G201–2013 and G202–2013.

TABLE OF ARTICLES

1 GENERAL PROVISIONS

2 TRANSMISSION AND OWNERSHIP OF DIGITAL DATA

3 DIGITAL DATA PROTOCOLS

4 BUILDING INFORMATION MODELING PROTOCOLS

5 OTHER TERMS AND CONDITIONS

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 This Exhibit provides for the establishment of protocols for the development, use, transmission, and exchange of Digital Data for the Project. If Building Information Modeling will be utilized, this Exhibit also provides for the establishment of the protocols necessary to implement the use of Building Information Modeling on the Project, including protocols that establish the expected Level of Development for Model Elements at various milestones of the Project, and the associated Authorized Uses of the Building Information Models.

§ 1.2 The Parties agree to incorporate this Exhibit into their agreements with any other Project Participants that may develop or make use of Digital Data on the Project. Prior to transmitting or allowing access to Digital Data, a Party may require any Project Participant to provide reasonable evidence that it has incorporated this Exhibit into its agreement for the Project, and agreed to the most recent Project specific versions of AIA Document G201™–2013, Project Digital Data Protocol Form and AIA Document G202™–2013, Project Building Information Modeling Protocol Form.

§ 1.2.1 The Parties agree that each of the Project Participants utilizing Digital Data on the Project is an intended third party beneficiary of the Section 1.2 obligation to incorporate this Exhibit into agreements with other Project Participants, and any rights and defenses associated with the enforcement of that obligation. This Exhibit does not create any third-party beneficiary rights other than those expressly identified in this Section 1.2.1.

§ 1.3 Adjustments to the Agreement

§ 1.3.1 If a Party believes that protocols established pursuant to Sections 3.2 or 4.5, and memorialized in AIA Documents G201–2013 and G202–2013, will result in a change in the Party's scope of work or services warranting an adjustment in compensation, contract sum, schedule or contract time, the Party shall notify the other Party. Failure to provide notice as required in this Section 1.3 shall result in a Party's waiver of any claims for adjustments in compensation, contract sum, schedule or contract time as a result of the established protocols.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

§ 1.3.2 Upon such notice, the Parties shall discuss and negotiate revisions to the protocols or discuss and negotiate any adjustments in compensation, contract sum, schedule or contract time in accordance with the terms of the Agreement.

§ 1.3.3 Notice required under this Section 1.3 shall be provided within thirty days of receipt of the protocols, unless otherwise indicated below:
(If the Parties require a notice period other than thirty days from receipt of the protocols, indicate the notice period below.)

§ 1.4 Definitions

§ 1.4.1 Building Information Model. A Building Information Model is a digital representation of the Project, or a portion of the Project, and is referred to in this Exhibit as the "Model," which term may be used herein to describe a Model Element, a single model or multiple models used in the aggregate, as well as other data sets identified in AIA Document G202–2013, Project Building Information Modeling Protocol Form.

§ 1.4.2 Building Information Modeling. Building Information Modeling or Modeling means the process used to create the Model.

§ 1.4.3 Model Element. A Model Element is a portion of the Model representing a component, system or assembly within a building or building site.

§ 1.4.4 Level of Development. The Level of Development (LOD) describes the minimum dimensional, spatial, quantitative, qualitative, and other data included in a Model Element to support the Authorized Uses associated with such LOD.

§ 1.4.5 Authorized Uses. The term "Authorized Uses" refers to the permitted uses of Digital Data authorized in the Digital Data and/or Building Information Modeling protocols established pursuant to the terms of this Exhibit.

§ 1.4.6 Model Element Author. The Model Element Author is the entity (or individual) responsible for managing and coordinating the development of a specific Model Element to the LOD required for an identified Project milestone, regardless of who is responsible for providing the content in the Model Element. Model Element Authors are to be identified in Section 3.3, Model Element Table, of AIA Document G202–2013.

§ 1.4.7 Digital Data. Digital Data is information, including communications, drawings, specifications and designs, created or stored for the Project in digital form. Unless otherwise stated, the term Digital Data includes the Model.

§ 1.4.8 Confidential Digital Data. Confidential Digital Data is Digital Data containing confidential or business proprietary information that the transmitting party designates and clearly marks as "confidential."

§ 1.4.9 Written or In Writing. In addition to any definition in the Agreement to which this Exhibit is attached, for purposes of this Exhibit and the Agreement, "written" or "in writing" shall mean any communication prepared and sent using a transmission method set forth in this Exhibit, or the protocols developed pursuant to this Exhibit, that permits the recipient to print the communication.

§ 1.4.10 Written Notice. In addition to any terms in the Agreement to which this Exhibit is attached, for purposes of this Exhibit and the Agreement, "written notice" shall be deemed to have been duly served if transmitted electronically to an address provided in this Exhibit or the Agreement using a transmission method set forth in this Exhibit that permits the recipient to print the communication.

§ 1.4.11 Party and Parties. The terms "Party" and "Parties" refer to the signing parties to the Agreement.

§ 1.4.12 Project Participant. A Project Participant is an entity (or individual) providing services, work, equipment or materials on the Project and includes the Parties.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

ARTICLE 2 TRANSMISSION AND OWNERSHIP OF DIGITAL DATA

§ 2.1 The transmission of Digital Data constitutes a warranty by the Party transmitting Digital Data to the Party receiving Digital Data that the transmitting Party is the copyright owner of the Digital Data, or otherwise has permission to transmit the Digital Data for its use on the Project in accordance with the Authorized Uses of Digital Data established pursuant to the terms of this Exhibit.

§ 2.2 If a Party transmits Confidential Digital Data, the transmission of such Confidential Digital Data constitutes a warranty to the Party receiving such Confidential Digital Data that the transmitting Party is authorized to transmit the Confidential Digital Data. If a Party receives Confidential Digital Data, the receiving Party shall keep the Confidential Digital Data strictly confidential and shall not disclose it to any other person or entity except as set forth in Section 2.2.1.

§ 2.2.1 The receiving Party may disclose Confidential Digital Data as required by law or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity. The receiving Party may also disclose the Confidential Digital Data to its employees, consultants or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of Confidential Digital Data as set forth in this Exhibit.

§ 2.3 By transmitting Digital Data, the transmitting Party does not convey any ownership right in the Digital Data or in the software used to generate the Digital Data. Unless otherwise granted in a separate license, the receiving Party's right to use, modify, or further transmit Digital Data is specifically limited to designing, constructing, using, maintaining, altering and adding to the Project consistent with the terms of this Exhibit, and nothing contained in this Exhibit conveys any other right to use the Digital Data.

§ 2.4 Where a provision in this Article 2 conflicts with a provision in the Agreement into which this Exhibit is incorporated, the provision in this Article 2 shall prevail.

ARTICLE 3 DIGITAL DATA PROTOCOLS

§ 3.1 Anticipated Types of Digital Data. The anticipated types of Digital Data to be used on the Project are as follows: *(Indicate below the information on the Project that shall be created and shared in a digital format. If the Parties indicate that Building Information Modeling will be utilized on the Project, the Parties shall also complete Article 4.)*

Anticipated Digital Data	**Applicability to the Project** *(Indicate Applicable or Not Applicable)*	**Location of Detailed Description** *(Section 3.1.1 below or in an attachment to this exhibit and identified below)*
Project Agreements and Modifications		
Project communications		
Architect's pre-construction submittals		
Contract Documents		
Contractor's submittals		
Subcontractor's submittals		
Modifications		
Project payment documents		
Notices and claims		
Building Information Modeling		

§ 3.1.1 Insert a detailed description of the anticipated Digital Data identified in Section 3.1, if not further described in an attachment to this Exhibit.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

§ 3.2 As soon as practical following execution of the Agreement, the Parties shall further describe the uses of Digital Data, and establish necessary protocols governing the transmission and Authorized Uses of Digital Data, in consultation with the other Project Participants that are expected to utilize Digital Data on the Project.

§ 3.2.1 Unless another Project Participant is identified below, the Architect shall prepare and distribute to the other Project Participants Digital Data protocols for review, revision and approval.
(If a Project Participant other than the Architect shall be responsible for preparing draft and final Digital Data protocols, identify that Project Participant.)

§ 3.2.2 The agreed upon Digital Data protocols shall be set forth in AIA Document G201–2013 and each Project Participant shall memorialize their agreement in writing to such Digital Data protocols.

§ 3.2.3 The Parties, together with the other Project Participants, shall review and, if necessary, revise the Digital Data protocols at appropriate intervals as required by the conditions of the Project.

§ 3.3 The Parties shall transmit, use, store and archive Digital Data in accordance with the Digital Data protocols set forth in the latest version of AIA Document G201–2013 agreed to by the Project Participants.

§ 3.4 Unauthorized Use

§ 3.4.1 Prior to Establishment of Digital Data Protocols

If a Party receives Digital Data prior to the agreement to, and documentation of, the Digital Data protocols in AIA Document G201–2013, that Party is not authorized to use or rely on the Digital Data. Any use of, or reliance on, such Digital Data is at that Party's sole risk and without liability to the other Party and its contractors, consultants, agents and employees.

§ 3.4.2 Following Establishment of Digital Data Protocols

Following agreement to, and documentation of, the Digital Data protocols in AIA Document G201–2013, if a Party uses Digital Data inconsistent with the Authorized Uses identified in the Digital Data protocols, that use shall be at the sole risk of the Party using the Digital Data.

§ 3.5 Digital Data Management

§ 3.5.1 Centralized electronic document management system use on the Project shall be:
(Check the appropriate box. If the Parties do not check one of the boxes below, the default selection shall be that the Parties will not utilize a centralized electronic document management system on the Project.)

[X] The Parties intend to use a centralized electronic document management system on the Project.

[ ] The Parties do not intend to use a centralized electronic document management system on the Project.

§ 3.5.2 If the Project Participants intend to utilize a centralized electronic document management system on the Project, the Project Participants identified in Section 3.5.3 shall be responsible for managing and maintaining such system. The Project Participants responsible for managing and maintaining the centralized electronic document management system shall facilitate the establishment of protocols for transmission, use, storage and archiving of the centralized Digital Data and assist the Project Participants identified in Section 3.2.1 above in preparing Digital Data protocols. Upon agreement to, and documentation of, the Digital Data protocols in AIA Document G201–2013, the Project Participants identified in Section 3.5.3 shall manage and maintain the centralized electronic document management system consistent with the management protocols set forth in the latest version of G201–2013 approved by the Project Participants.

§ 3.5.3 Unless responsibility is assigned to another Project Participant, the Architect shall be responsible for managing and maintaining the centralized electronic document management system. If the responsibility for management and maintenance will be assigned to another Project Participant at an identified Project milestone, indicate below the Project Participant who shall assume that responsibility, and the Project milestone.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

(Identify the Project Participant responsible for management and maintenance only if the Parties intend to utilize a centralized electronic document management system on the Project.)

Responsible Project Participant	Project Milestone

ARTICLE 4 BUILDING INFORMATION MODELING PROTOCOLS

§ 4.1 If the Parties indicate in Section 3.1 that Building Information Modeling will be used on the Project, specify below the extent to which the Parties intend to utilize Building Information Modeling and identify the provisions of this Article 4 governing such use:

[ ] The Parties shall utilize Building Information Modeling on the Project for the sole purpose of fulfilling the obligations set forth in the Agreement without an expectation that the Model will be relied upon by the other Project Participants. Unless otherwise agreed in writing, any use of, transmission of, or reliance on the Model is at the receiving Party's sole risk. The remaining sections of this Article 4 shall have no force or effect.

[X] The Parties shall develop, share, use and rely upon the Model in accordance with Sections 4.2 through 4.10 of this Exhibit.

§ 4.2 Anticipated Building Information Modeling Scope. Indicate below the portions of the Project for which Modeling will be used and the anticipated Project Participant responsible for that Modeling.

Project Portion for Modeling	Responsible Project Participant

§ 4.3 Anticipated Model Authorized Uses. Indicate below the anticipated Authorized Uses of the Model for the Project, which Authorized Uses will be agreed upon by the Project Participants and further described for each LOD in AIA Document G202–2013.

Authorized Uses of the Model for the Project are defined in Article 7 of AIA B101-2017.

§ 4.4 Ancillary Modeling Activities. Indicate additional Modeling activities agreed upon by the Parties, but not to be included in AIA Document G202–2013, if any.
(Describe any Modeling activities, such as renderings, animations, performance simulations, or other similar use, including the anticipated amount and scope of any such Modeling activities.)

Defined in EXH-B Project Design Milestones & Deliverables to AIA B101-2017.

§ 4.5 Modeling Protocols. As soon as practical following execution of the Agreement, the Parties shall, in consultation with the other Project Participants that are expected to utilize Building Information Modeling on the Project, further describe the Authorized Uses of the Model and establish necessary protocols governing the development of the Model utilizing AIA Document G202–2013.

§ 4.5.1 The Modeling protocols shall address the following:

.1 Identification of the Model Element Authors;
.2 Definition of the various LOD for the Model Elements and the associated Authorized Uses for each defined LOD;
.3 Identification of the required LOD of each Model Element at each identified Project milestone;
.4 Identification of the construction classification systems to be used on the Project;
.5 The process by which Project Participants will exchange and share the Model at intervals not reflected in Section 3.3, Model Element Table, of AIA Document G202–2013;
.6 The process by which the Project Participants will identify, coordinate and resolve changes to the Model;
.7 Details regarding any anticipated as-designed or as-constructed Authorized Uses for the Model, if required on the Project;

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

.8 Anticipated Authorized Uses for facilities management or otherwise, following completion of the Project; and

.9 Other topics to be addressed by the Modeling protocols: *(Identify additional topics to be addressed by the Modeling Protocols.)*

§ 4.5.2 Unless responsibility is assigned to another Project Participant identified below, the Architect shall prepare and distribute Modeling protocols to the other Project Participants for review, revision and approval.
(If a Project Participant other than the Architect shall be responsible for preparing draft and final Modeling protocols, identify that Project Participant.)

§ 4.5.3 The agreed upon Modeling protocols shall be set forth in AIA Document G202–2013 and each Project Participant shall memorialize their agreement in writing to such Modeling protocols.

§ 4.5.4 The Parties, together with the other Project Participants, shall review, and if necessary, revise the Modeling protocols at appropriate intervals as required by the conditions of the Project.

§ 4.6 The Parties shall develop, use and rely on the Model in accordance with the Modeling protocols set forth in the latest version of AIA Document G202–2013, which document shall be included in or attached to the Model in a manner clearly accessible to the Project Participants.

§ 4.7 Unauthorized Use

§ 4.7.1 Prior to Establishment of Modeling Protocols

If a Party receives any Model prior to the agreement to, and documentation of, the Modeling protocols in AIA Document G202–2013, that Party is not authorized to use, transmit, or rely on the Model. Any use, transmission or reliance is at that Party's sole risk and without liability to the other Party and its contractors, consultants, agents and employees.

§ 4.7.2 Following Establishment of Modeling Protocols

Following agreement to, and documentation of, the Modeling protocols in AIA Document G202–2013, if a Party uses or relies on the Model inconsistent with the Authorized Uses identified in the Modeling protocols, such use or reliance shall be at the sole risk of the Party using or relying on the Model. A Party may rely on the Model Element only to the extent consistent with the minimum data required for the identified LOD, even if the content of a specific Model Element includes data that exceeds the minimum data required for the identified LOD.

§ 4.8 Model Management

§ 4.8.1 The requirements for managing the Model include the duties set forth in this Section 4.8. Unless assigned to another Project Participant, the Architect shall manage the Model from the inception of the Project. If the responsibility for Model management will be assigned to another Project Participant, or change at an identified Project milestone, indicate below the identity of the Project Participant who will assume that responsibility, and the Project milestone.

Responsible Project Participant	Project Milestone

§ 4.8.2 Model Management Protocol Establishment. The Project Participant responsible for managing the Model, in consultation with the other Project Participants that are expected to utilize Building Information Modeling on the Project, shall facilitate the establishment and revision of Model management protocols, including the following:

.1 Model origin point, coordinate system, precision, file formats and units. The Model shall be accurately geo-located.

.2 Model file storage location(s)

.3 Processes for transferring and accessing Model files

.4 Naming conventions as defined in the Owner's Revit and Drafting Standards.

.5 Processes for aggregating Model files from varying software platforms

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

.6 Model access rights
.7 Identification of design coordination and clash detection procedures.
.8 Model security requirements
.9 Other: *(Identify additional Model management protocols to be addressed.)*

The Project Participant responsible for managing the Model shall use the issued MPS Revit template and conform to MPS Revit and Drafting Standards as defined in EXH-C.2 Quality Performance and Owner Provisions of AIA B101-2017.

§ 4.8.3 Ongoing Responsibilities. The Project Participant responsible for managing the Model shall do so consistent with the Model management protocols, which shall also include the following ongoing responsibilities:

.1 Collect incoming Models:
  .1 Coordinate submission and exchange of Models
  .2 Create and maintain a log of Models received
  .3 Review Model files for consistency with Sections 4.8.2.1 through 4.8.2.5
  .4 Maintain a record copy of each Model file received
.2 Aggregate Model files and make them available for Authorized Uses
.3 Maintain Model Archives and backups consistent with the requirements of Section 4.8.4 below
.4 Manage Model access rights
.5 Other: *(Identify additional responsibilities.)*

§ 4.8.4 Model Archives. The individual or entity responsible for Model management as set forth in this Section 4.8 shall compile a Model Archive at the end of each Project milestone and shall preserve it without alteration as a record of Model completion as of that Project milestone.

§ 4.8.4.1 Additional Model Archive requirements, if any, are as follows:

§ 4.8.4.2 The procedures for storing and preserving the Model(s) upon final completion of the Project are as follows:

§ 4.9 Post-Construction Model. The services associated with providing a Model for post-construction use shall only be required if specifically designated in the table below as a Party's responsibility.
(Designate below any anticipated post-construction Model and related requirements, the Project Participant responsible for creating or adapting the Model to achieve such uses, and the location of a detailed description of the anticipated scope of services to create or adapt the Model as necessary to achieve such uses.)

Post-Construction Model	**Applicability to Project** *(Applicable or Not Applicable)*	**Responsible Project Participant**	**Location of Detailed Description of Requirements and Services** *(Section 4.10 below or in an attachment to this exhibit and identified below)*
§ 4.9.1 Remodeling	Applicable	Owner	
§ 4.9.2 Wayfinding and Mapping	Applicable	Architect	
§ 4.9.3 Asset/FF & E Management	Applicable	Owner	
§ 4.9.4 Energy Management	Applicable	Owner	
§ 4.9.5 Space Management	Applicable	Owner	
§ 4.9.6 Maintenance Management	Applicable	Owner	

§ 4.10 Insert a detailed description of the requirements for each Post-Construction Model identified in Section 4.9 and the anticipated services necessary to create each Post-Construction Model, if not further described in an attachment to this Exhibit.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

As part of basic services, the Architect shall produce wayfinding floor plans for use of the Owner. Floor plans shall be provided in PDF format to be printed on letter, 11x17 and 24x36 paper.

ARTICLE 5 OTHER TERMS AND CONDITIONS

Other terms and conditions related to the transmission and use of Digital Data are as follows:

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

Additions and Deletions Report for
AIA® Document E203™ – 2013

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 12:15:52 on 03/23/2018.

PAGE 1

This Exhibit dated the 13 day of March in the year 2018 is incorporated into the agreement (the "Agreement") between the Parties for the following Project:

PAGE 4

[X] The Parties intend to use a centralized electronic document management system on the Project.

PAGE 5

[X] The Parties shall develop, share, use and rely upon the Model in accordance with Sections 4.2 through 4.10 of this Exhibit.

...

Authorized Uses of the Model for the Project are defined in Article 7 of AIA B101-2017.

...

Defined in EXH-B Project Design Milestones & Deliverables to AIA B101-2017.

PAGE 6

.1 Model origin point, coordinate system, precision, file formats and ~~units~~units. The Model shall be accurately geo-located.

...

.4 Naming conventions as defined in the Owner's Revit and Drafting Standards.

PAGE 7

The Project Participant responsible for managing the Model shall use the issued MPS Revit template and conform to MPS Revit and Drafting Standards as defined in EXH-C.2 Quality Performance and Owner Provisions of AIA B101-2017.

...

§ 4.9.1 Remodeling	Applicable	Owner	
§ 4.9.2 Wayfinding and Mapping	Applicable	Architect	
§ 4.9.3 Asset/FF & E Management	Applicable	Owner	

Additions and Deletions Report for AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. **All rights reserved.**
WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.
This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

§ 4.9.4 Energy Management	Applicable	Owner	
§ 4.9.5 Space Management	Applicable	Owner	
§ 4.9.6 Maintenance Management	Applicable	Owner	

PAGE 8

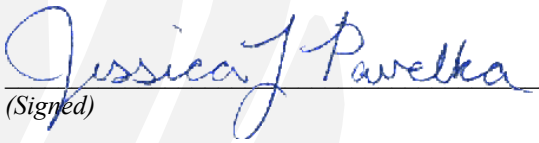
As part of basic services, the Architect shall produce wayfinding floor plans for use of the Owner. Floor plans shall be provided in PDF format to be printed on letter, 11x17 and 24x36 paper.

Additions and Deletions Report for AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects**. All rights reserved.**
WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.
This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, , hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 12:15:52 on 03/23/2018 under Order No. 8259021829 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document E203™ - 2013, Building Information Modeling and Digital Data Exhibit, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

Manager, Capital Planning and Construction

(Title)

November 2, 2022

(Dated)

AIA Document D401™ – 2003. Copyright © 1992 and 2003 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:15:52 on 03/23/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA20)

AIA® Document A201™ – 2017

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

THE OWNER:
(Name, legal status and address)

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

THE ARCHITECT:
(Name, legal status and address)

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.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, Guide for Supplementary Conditions.

TABLE OF ARTICLES

1 GENERAL PROVISIONS

2 OWNER

3 CONTRACTOR

4 ARCHITECT

5 SUBCONTRACTORS

6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

7 CHANGES IN THE WORK

8 TIME

9 PAYMENTS AND COMPLETION

10 PROTECTION OF PERSONS AND PROPERTY

11 INSURANCE AND BONDS

12 UNCOVERING AND CORRECTION OF WORK

13 MISCELLANEOUS PROVISIONS

14 TERMINATION OR SUSPENSION OF THE CONTRACT

15 CLAIMS AND DISPUTES

Init.
/

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

INDEX
(Topics and numbers 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
10
Acts and Omissions
3.2, 3.3.2, 3.12.8, 3.18, 4.2.3, 8.3.1, 9.5.1, 10.2.5, 10.2.8, 13.3.2, 14.1, 15.1.2, 15.2
Addenda
1.1.1
Additional Costs, Claims for
3.7.4, 3.7.5, 10.3.2, 15.1.5
Additional Inspections and Testing
9.4.2, 9.8.3, 12.2.1, 13.4
Additional Time, Claims for
3.2.4, 3.7.4, 3.7.5, 3.10.2, 8.3.2, 15.1.6
Administration of the Contract
3.1.3, 4.2, 9.4, 9.5
Advertisement or Invitation to Bid
1.1.1
Aesthetic Effect
4.2.13
Allowances
3.8
Applications for Payment
4.2.5, 7.3.9, 9.2, 9.3, 9.4, 9.5.1, 9.5.4, 9.6.3, 9.7, 9.10
Approvals
2.1.1, 2.3.1, 2.5, 3.1.3, 3.10.2, 3.12.8, 3.12.9, 3.12.10.1, 4.2.7, 9.3.2, 13.4.1
Arbitration
8.3.1, 15.3.2, 15.4
ARCHITECT
4
Architect, Definition of
4.1.1
Architect, Extent of Authority
2.5, 3.12.7, 4.1.2, 4.2, 5.2, 6.3, 7.1.2, 7.3.4, 7.4, 9.2, 9.3.1, 9.4, 9.5, 9.6.3, 9.8, 9.10.1, 9.10.3, 12.1, 12.2.1, 13.4.1, 13.4.2, 14.2.2, 14.2.4, 15.1.4, 15.2.1
Architect, Limitations of Authority and Responsibility
2.1.1, 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, 5.2.1, 7.4, 9.4.2, 9.5.4, 9.6.4, 15.1.4, 15.2
Architect's Additional Services and Expenses
2.5, 12.2.1, 13.4.2, 13.4.3, 14.2.4
Architect's Administration of the Contract
3.1.3, 3.7.4, 15.2, 9.4.1, 9.5
Architect's Approvals
2.5, 3.1.3, 3.5, 3.10.2, 4.2.7
Architect's Authority to Reject Work
3.5, 4.2.6, 12.1.2, 12.2.1
Architect's Copyright
1.1.7, 1.5
Architect's Decisions
3.7.4, 4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 6.3, 7.3.4, 7.3.9, 8.1.3, 8.3.1, 9.2, 9.4.1, 9.5, 9.8.4, 9.9.1, 13.4.2, 15.2
Architect's Inspections
3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 13.4
Architect's Instructions
3.2.4, 3.3.1, 4.2.6, 4.2.7, 13.4.2
Architect's Interpretations
4.2.11, 4.2.12
Architect's Project Representative
4.2.10
Architect's Relationship with Contractor
1.1.2, 1.5, 2.3.3, 3.1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2, 3.5, 3.7.4, 3.7.5, 3.9.2, 3.9.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.2, 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, 12, 13.3.2, 13.4, 15.2
Architect's Relationship with Subcontractors
1.1.2, 4.2.3, 4.2.4, 4.2.6, 9.6.3, 9.6.4, 11.3
Architect's Representations
9.4.2, 9.5.1, 9.10.1
Architect's Site Visits
3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.4
Asbestos
10.3.1
Attorneys' Fees
3.18.1, 9.6.8, 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
Binding Dispute Resolution
8.3.1, 9.7, 11.5, 13.1, 15.1.2, 15.1.3, 15.2.1, 15.2.5, 15.2.6.1, 15.3.1, 15.3.2, 15.3.3, 15.4.1
Bonds, Lien
7.3.4.4, 9.6.8, 9.10.2, 9.10.3
Bonds, Performance, and Payment
7.3.4.4, 9.6.7, 9.10.3, 11.1.2, 11.1.3, 11.5
Building Information Models Use and Reliance
1.8
Building Permit
3.7.1
Capitalization
1.3
Certificate of Substantial Completion
9.8.3, 9.8.4, 9.8.5

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Certificates for Payment
4.2.1, 4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7, 9.10.1, 9.10.3, 14.1.1.3, 14.2.4, 15.1.4
Certificates of Inspection, Testing or Approval
13.4.4
Certificates of Insurance
9.10.2
Change Orders
1.1.1, 3.4.2, 3.7.4, 3.8.2.3, 3.11, 3.12.8, 4.2.8, 5.2.3, 7.1.2, 7.1.3, 7.2, 7.3.2, 7.3.7, 7.3.9, 7.3.10, 8.3.1, 9.3.1.1, 9.10.3, 10.3.2, 11.2, 11.5, 12.1.2
Change Orders, Definition of
7.2.1
CHANGES IN THE WORK
2.2.2, 3.11, 4.2.8, 7, 7.2.1, 7.3.1, 7.4, 8.3.1, 9.3.1.1, 11.5
Claims, Definition of
15.1.1
Claims, Notice of
1.6.2, 15.1.3
CLAIMS AND DISPUTES
3.2.4, 6.1.1, 6.3, 7.3.9, 9.3.3, 9.10.4, 10.3.3, 15, 15.4
Claims and Timely Assertion of Claims
15.4.1
Claims for Additional Cost
3.2.4, 3.3.1, 3.7.4, 7.3.9, 9.5.2, 10.2.5, 10.3.2, 15.1.5
Claims for Additional Time
3.2.4, 3.3.1, 3.7.4, 6.1.1, 8.3.2, 9.5.2, 10.3.2, 15.1.6
Concealed or Unknown Conditions, Claims for
3.7.4
Claims for Damages
3.2.4, 3.18, 8.3.3, 9.5.1, 9.6.7, 10.2.5, 10.3.3, 11.3, 11.3.2, 14.2.4, 15.1.7
Claims Subject to Arbitration
15.4.1
Cleaning Up
3.15, 6.3
Commencement of the Work, Conditions Relating to
2.2.1, 3.2.2, 3.4.1, 3.7.1, 3.10.1, 3.12.6, 5.2.1, 5.2.3, 6.2.2, 8.1.2, 8.2.2, 8.3.1, 11.1, 11.2, 15.1.5
Commencement of the Work, Definition of
8.1.2
Communications
3.9.1, 4.2.4
Completion, Conditions Relating to
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, 14.1.2, 15.1.2
COMPLETION, PAYMENTS AND
9
Completion, Substantial
3.10.1, 4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3, 12.2, 15.1.2
Compliance with Laws
2.3.2, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 10.2.2, 13.1, 13.3, 13.4.1, 13.4.2, 13.5, 14.1.1, 14.2.1.3, 15.2.8, 15.4.2, 15.4.3
Concealed or Unknown Conditions
3.7.4, 4.2.8, 8.3.1, 10.3
Conditions of the Contract
1.1.1, 6.1.1, 6.1.4
Consent, Written
3.4.2, 3.14.2, 4.1.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 13.2, 15.4.4.2
Consolidation or Joinder
15.4.4
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, 3.4.2, 3.11, 3.12.8, 4.2.8, 7.1.1, 7.1.2, 7.1.3, 7.3, 9.3.1.1
Construction Schedules, Contractor's
3.10, 3.11, 3.12.1, 3.12.2, 6.1.3, 15.1.6.2
Contingent Assignment of Subcontracts
5.4, 14.2.2.2
Continuing Contract Performance
15.1.4
Contract, Definition of
1.1.2
CONTRACT, TERMINATION OR SUSPENSION OF THE
5.4.1.1, 5.4.2, 11.5, 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
Contract Documents, Copies Furnished and Use of
1.5.2, 2.3.6, 5.3
Contract Documents, Definition of
1.1.1
Contract Sum
2.2.2, 2.2.4, 3.7.4, 3.7.5, 3.8, 3.10.2, 5.2.3, 7.3, 7.4, 9.1, 9.2, 9.4.2, 9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.5, 12.1.2, 12.3, 14.2.4, 14.3.2, 15.1.4.2, 15.1.5, 15.2.5
Contract Sum, Definition of
9.1
Contract Time
1.1.4, 2.2.1, 2.2.2, 3.7.4, 3.7.5, 3.10.2, 5.2.3, 6.1.5, 7.2.1.3, 7.3.1, 7.3.5, 7.3.6, 7, 7, 7.3.10, 7.4, 8.1.1, 8.2.1, 8.2.3, 8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1, 12.1.2, 14.3.2, 15.1.4.2, 15.1.6.1, 15.2.5
Contract Time, Definition of
8.1.1
CONTRACTOR
3
Contractor, Definition of
3.1, 6.1.2
Contractor's Construction and Submittal Schedules
3.10, 3.12.1, 3.12.2, 4.2.3, 6.1.3, 15.1.6.2
Contractor's Employees

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

2.2.4, 3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.3, 14.1, 14.2.1.1
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, 11.3, 12.2.4
Contractor's Relationship with Subcontractors
1.2.2, 2.2.4, 3.3.2, 3.18.1, 3.18.2, 4.2.4, 5, 9.6.2, 9.6.7, 9.10.2, 11.2, 11.3, 11.4
Contractor's Relationship with the Architect
1.1.2, 1.5, 2.3.3, 3.1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2, 3.5.1, 3.7.4, 3.10, 3.11, 3.12, 3.16, 3.18, 4.2, 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, 12, 13.4, 15.1.3, 15.2.1
Contractor's Representations
3.2.1, 3.2.2, 3.5, 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, 5.3, 6.1.3, 6.2, 9.5.1, 10.2.8
Contractor's Review of Contract Documents
3.2
Contractor's Right to Stop the Work
2.2.2, 9.7
Contractor's Right to Terminate the Contract
14.1
Contractor's Submittals
3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 9.2, 9.3, 9.8.2, 9.8.3, 9.9.1, 9.10.2, 9.10.3
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, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 7.3.6, 8.2, 10, 12, 14, 15.1.4
Coordination and Correlation
1.2, 3.2.1, 3.3.1, 3.10, 3.12.6, 6.1.3, 6.2.1
Copies Furnished of Drawings and Specifications
1.5, 2.3.6, 3.11
Copyrights
1.5, 3.17
Correction of Work
2.5, 3.7.3, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, 12.2, 12.3, 15.1.3.1, 15.1.3.2, 15.2.1
Correlation and Intent of the Contract Documents
1.2
Cost, Definition of
7.3.4
Costs
2.5, 3.2.4, 3.7.3, 3.8.2, 3.15.2, 5.4.2, 6.1.1, 6.2.3, 7.3.3.3, 7.3.4, 7.3.8, 7.3.9, 9.10.2, 10.3.2, 10.3.6, 11.2, 12.1.2, 12.2.1, 12.2.4, 13.4, 14
Cutting and Patching
3.14, 6.2.5
Damage to Construction of Owner or Separate Contractors
3.14.2, 6.2.4, 10.2.1.2, 10.2.5, 10.4, 12.2.4
Damage to the Work
3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.4, 12.2.4
Damages, Claims for
3.2.4, 3.18, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.3.2, 11.3, 14.2.4, 15.1.7
Damages for Delay
6.2.3, 8.3.3, 9.5.1.6, 9.7, 10.3.2, 14.3.2
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
3.7.4, 4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 6.3, 7.3.4, 7.3.9, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.4.2, 14.2.2, 14.2.4, 15.1, 15.2
Decisions to Withhold Certification
9.4.1, 9.5, 9.7, 14.1.1.3
Defective or Nonconforming Work, Acceptance, Rejection and Correction of
2.5, 3.5, 4.2.6, 6.2.3, 9.5.1, 9.5.3, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1
Definitions
1.1, 2.1.1, 3.1.1, 3.5, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 5.1, 6.1.2, 7.2.1, 7.3.1, 8.1, 9.1, 9.8.1, 15.1.1
Delays and Extensions of Time
3.2, 3.7.4, 5.2.3, 7.2.1, 7.3.1, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.6, 15.2.5
Digital Data Use and Transmission
1.7
Disputes
6.3, 7.3.9, 15.1, 15.2
Documents and Samples at the Site
3.11
Drawings, Definition of
1.1.5
Drawings and Specifications, Use and Ownership of
3.11
Effective Date of Insurance
8.2.2
Emergencies
10.4, 14.1.1.2, 15.1.5
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, 10.3.3, 11.3, 14.1, 14.2.1.1
Equipment, Labor, or Materials
1.1.3, 1.1.6, 3.4, 3.5, 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, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.1, 14.2.1.2
Execution and Progress of the Work
1.1.3, 1.2.1, 1.2.2, 2.3.4, 2.3.6, 3.1, 3.3.1, 3.4.1, 3.7.1, 3.10.1, 3.12, 3.14, 4.2, 6.2.2, 7.1.3, 7.3.6, 8.2, 9.5.1, 9.9.1, 10.2, 10.3, 12.1, 12.2, 14.2, 14.3.1, 15.1.4
Extensions of Time
3.2.4, 3.7.4, 5.2.3, 7.2.1, 7.3, 7.4, 9.5.1, 9.7, 10.3.2, 10.4, 14.3, 15.1.6, 15.2.5

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Failure of Payment
9.5.1.3, 9.7, 9.10.2, 13.5, 14.1.1.3, 14.2.1.2
Faulty Work
(See Defective or Nonconforming Work)
Final Completion and Final Payment
4.2.1, 4.2.9, 9.8.2, 9.10, 12.3, 14.2.4, 14.4.3
Financial Arrangements, Owner's
2.2.1, 13.2.2, 14.1.1.4
GENERAL PROVISIONS
1
Governing Law
13.1
Guarantees (See Warranty)
Hazardous Materials and Substances
10.2.4, 10.3
Identification of Subcontractors and Suppliers
5.2.1
Indemnification
3.17, 3.18, 9.6.8, 9.10.2, 10.3.3, 11.3
Information and Services Required of the Owner
2.1.2, 2.2, 2.3, 3.2.2, 3.12.10.1, 6.1.3, 6.1.4, 6.2.5, 9.6.1, 9.9.2, 9.10.3, 10.3.3, 11.2, 13.4.1, 13.4.2, 14.1.1.4, 14.1.4, 15.1.4
Initial Decision
15.2
Initial Decision Maker, Definition of
1.1.8
Initial Decision Maker, Decisions
14.2.4, 15.1.4.2, 15.2.1, 15.2.2, 15.2.3, 15.2.4, 15.2.5
Initial Decision Maker, Extent of Authority
14.2.4, 15.1.4.2, 15.2.1, 15.2.2, 15.2.3, 15.2.4, 15.2.5
Injury or Damage to Person or Property
10.2.8, 10.4
Inspections
3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 12.2.1, 13.4
Instructions to Bidders
1.1.1
Instructions to the Contractor
3.2.4, 3.3.1, 3.8.1, 5.2.1, 7, 8.2.2, 12, 13.4.2
Instruments of Service, Definition of
1.1.7
Insurance
6.1.1, 7.3.4, 8.2.2, 9.3.2, 9.8.4, 9.9.1, 9.10.2, 10.2.5, 11
Insurance, Notice of Cancellation or Expiration
11.1.4, 11.2.3
Insurance, Contractor's Liability
11.1
Insurance, Effective Date of
8.2.2, 14.4.2
Insurance, Owner's Liability
11.2
Insurance, Property
10.2.5, 11.2, 11.4, 11.5
Insurance, Stored Materials
9.3.2
INSURANCE AND BONDS
11
Insurance Companies, Consent to Partial Occupancy
9.9.1
Insured loss, Adjustment and Settlement of
11.5
Intent of the Contract Documents
1.2.1, 4.2.7, 4.2.12, 4.2.13
Interest
13.5
Interpretation
1.1.8, 1.2.3, 1.4, 4.1.1, 5.1, 6.1.2, 15.1.1
Interpretations, Written
4.2.11, 4.2.12
Judgment on Final Award
15.4.2
Labor and Materials, Equipment
1.1.3, 1.1.6, 3.4, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.1, 14.2.1.2
Labor Disputes
8.3.1
Laws and Regulations
1.5, 2.3.2, 3.2.3, 3.2.4, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 9.9.1, 10.2.2, 13.1, 13.3.1, 13.4.2, 13.5, 14, 15.2.8, 15.4
Liens
2.1.2, 9.3.1, 9.3.3, 9.6.8, 9.10.2, 9.10.4, 15.2.8
Limitations, Statutes of
12.2.5, 15.1.2, 15.4.1.1
Limitations of Liability
3.2.2, 3.5, 3.12.10, 3.12.10.1, 3.17, 3.18.1, 4.2.6, 4.2.7, 6.2.2, 9.4.2, 9.6.4, 9.6.7, 9.6.8, 10.2.5, 10.3.3, 11.3, 12.2.5, 13.3.1
Limitations of Time
2.1.2, 2.2, 2.5, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2.7, 5.2, 5.3, 5.4.1, 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, 12.2, 13.4, 14, 15, 15.1.2, 15.1.3, 15.1.5
Materials, Hazardous
10.2.4, 10.3
Materials, Labor, Equipment and
1.1.3, 1.1.6, 3.4.1, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1.2, 10.2.4, 14.2.1.1, 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
2.1.2, 9.3.1, 9.3.3, 9.6.8, 9.10.2, 9.10.4, 15.2.8
Mediation
8.3.1, 15.1.3.2, 15.2.1, 15.2.5, 15.2.6, 15.3, 15.4.1, 15.4.1.1
Minor Changes in the Work
1.1.1, 3.4.2, 3.12.8, 4.2.8, 7.1, 7.4
MISCELLANEOUS PROVISIONS
13

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Modifications, Definition of
1.1.1
Modifications to the Contract
1.1.1, 1.1.2, 2.5, 3.11, 4.1.2, 4.2.1, 5.2.3, 7, 8.3.1, 9.7, 10.3.2
Mutual Responsibility
6.2
Nonconforming Work, Acceptance of
9.6.6, 9.9.3, 12.3
Nonconforming Work, Rejection and Correction of
2.4, 2.5, 3.5, 4.2.6, 6.2.4, 9.5.1, 9.8.2, 9.9.3, 9.10.4, 12.2
Notice
1.6, 1.6.1, 1.6.2, 2.1.2, 2.2.2., 2.2.3, 2.2.4, 2.5, 3.2.4, 3.3.1, 3.7.4, 3.7.5, 3.9.2, 3.12.9, 3.12.10, 5.2.1, 7.4, 8.2.2 9.6.8, 9.7, 9.10.1, 10.2.8, 10.3.2, 11.5, 12.2.2.1, 13.4.1, 13.4.2, 14.1, 14.2.2, 14.4.2, 15.1.3, 15.1.5, 15.1.6, 15.4.1
Notice of Cancellation or Expiration of Insurance
11.1.4, 11.2.3
Notice of Claims
1.6.2, 2.1.2, 3.7.4, 9.6.8, 10.2.8, 15.1.3, 15.1.5, 15.1.6, 15.2.8, 15.3.2, 15.4.1
Notice of Testing and Inspections
13.4.1, 13.4.2
Observations, Contractor's
3.2, 3.7.4
Occupancy
2.3.1, 9.6.6, 9.8
Orders, Written
1.1.1, 2.4, 3.9.2, 7, 8.2.2, 11.5, 12.1, 12.2.2.1, 13.4.2, 14.3.1
OWNER
2
Owner, Definition of
2.1.1
Owner, Evidence of Financial Arrangements
2.2, 13.2.2, 14.1.1.4
Owner, Information and Services Required of the
2.1.2, 2.2, 2.3, 3.2.2, 3.12.10, 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, 13.4.1, 13.4.2, 14.1.1.4, 14.1.4, 15.1.4
Owner's Authority
1.5, 2.1.1, 2.3.32.4, 2.5, 3.4.2, 3.8.1, 3.12.10, 3.14.2, 4.1.2, 4.2.4, 4.2.9, 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, 9.3.2, 9.5.1, 9.6.4, 9.9.1, 9.10.2, 10.3.2, 11.4, 11.5, 12.2.2, 12.3, 13.2.2, 14.3, 14.4, 15.2.7
Owner's Insurance
11.2
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
2.5, 14.2.2
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
2.4
Owner's Right to Suspend the Work
14.3
Owner's Right to Terminate the Contract
14.2, 14.4
Ownership and Use of Drawings, Specifications and Other Instruments of Service
1.1.1, 1.1.6, 1.1.7, 1.5, 2.3.6, 3.2.2, 3.11, 3.17, 4.2.12, 5.3
Partial Occupancy or Use
9.6.6, 9.9
Patching, Cutting and
3.14, 6.2.5
Patents
3.17
Payment, Applications for
4.2.5, 7.3.9, 9.2, 9.3, 9.4, 9.5, 9.6.3, 9.7, 9.8.5, 9.10.1, 14.2.3, 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, 9.10.1, 9.10.3, 14.1.1.3, 14.2.4
Payment, Failure of
9.5.1.3, 9.7, 9.10.2, 13.5, 14.1.1.3, 14.2.1.2
Payment, Final
4.2.1, 4.2.9, 9.10, 12.3, 14.2.4, 14.4.3
Payment Bond, Performance Bond and
7.3.4.4, 9.6.7, 9.10.3, 11.1.2
Payments, Progress
9.3, 9.6, 9.8.5, 9.10.3, 14.2.3, 15.1.4
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, 14.2.1.2
PCB
10.3.1
Performance Bond and Payment Bond
7.3.4.4, 9.6.7, 9.10.3, 11.1.2
Permits, Fees, Notices and Compliance with Laws
2.3.1, 3.7, 3.13, 7.3.4.4, 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, 8.2, 9.8, 9.9.1, 14.1.4, 15.1.4
Progress Payments
9.3, 9.6, 9.8.5, 9.10.3, 14.2.3, 15.1.4
Project, Definition of
1.1.4
Project Representatives

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

4.2.10
Property Insurance
10.2.5, 11.2
Proposal Requirements
1.1.1
PROTECTION OF PERSONS AND PROPERTY
10
Regulations and Laws
1.5, 2.3.2, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 9.9.1, 10.2.2, 13.1, 13.3, 13.4.1, 13.4.2, 13.5, 14, 15.2.8, 15.4
Rejection of Work
4.2.6, 12.2.1
Releases and Waivers of Liens
9.3.1, 9.10.2
Representations
3.2.1, 3.5, 3.12.6, 8.2.1, 9.3.3, 9.4.2, 9.5.1, 9.10.1
Representatives
2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.10, 13.2.1
Responsibility for Those Performing the Work
3.3.2, 3.18, 4.2.2, 4.2.3, 5.3, 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
3.2, 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, 2.4, 2.5, 3.5, 3.7.4, 3.15.2, 4.2.6, 5.3, 5.4, 6.1, 6.3, 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.1, 12.2.2, 12.2.4, 13.3, 14, 15.4
Royalties, Patents and Copyrights
3.17
Rules and Notices for Arbitration
15.4.1
Safety of Persons and Property
10.2, 10.4
Safety Precautions and Programs
3.3.1, 4.2.2, 4.2.7, 5.3, 10.1, 10.2, 10.4
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, Construction
3.10, 3.12.1, 3.12.2, 6.1.3, 15.1.6.2
Separate Contracts and Contractors
1.1.4, 3.12.5, 3.14.2, 4.2.4, 4.2.7, 6, 8.3.1, 12.1.2
Separate Contractors, Definition of
6.1.1
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
3.2.2, 3.3.3, 3.7.1, 3.7.4, 4.2, 9.9.2, 9.4.2, 9.10.1, 13.4
Site Visits, Architect's
3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.4
Special Inspections and Testing
4.2.6, 12.2.1, 13.4
Specifications, Definition of
1.1.6
Specifications
1.1.1, 1.1.6, 1.2.2, 1.5, 3.12.10, 3.17, 4.2.14
Statute of Limitations
15.1.2, 15.4.1.1
Stopping the Work
2.2.2, 2.4, 9.7, 10.3, 14.1
Stored Materials
6.2.1, 9.3.2, 10.2.1.2, 10.2.4
Subcontractor, Definition of
5.1.1
SUBCONTRACTORS
5
Subcontractors, Work by
1.2.2, 3.3.2, 3.12.1, 3.18, 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, 14.1, 14.2.1
Submittals
3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.4, 9.2, 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3
Submittal Schedule
3.10.2, 3.12.5, 4.2.7
Subrogation, Waivers of
6.1.1, 11.3
Substances, Hazardous
10.3
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, 12.2, 15.1.2
Substantial Completion, Definition of
9.8.1
Substitution of Subcontractors
5.2.3, 5.2.4
Substitution of Architect
2.3.3
Substitutions of Materials
3.4.2, 3.5, 7.3.8
Sub-subcontractor, Definition of
5.1.2
Subsurface Conditions
3.7.4
Successors and Assigns

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

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, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 8.2, 8.3.1, 9.4.2, 10, 12, 14, 15.1.4
Suppliers
1.5, 3.12.1, 4.2.4, 4.2.6, 5.2.1, 9.3, 9.4.2, 9.5.4, 9.6, 9.10.5, 14.2.1
Surety
5.4.1.2, 9.6.8, 9.8.5, 9.10.2, 9.10.3, 11.1.2, 14.2.2, 15.2.7
Surety, Consent of
9.8.5, 9.10.2, 9.10.3
Surveys
1.1.7, 2.3.4
Suspension by the Owner for Convenience
14.3
Suspension of the Work
3.7.5, 5.4.2, 14.3
Suspension or Termination of the Contract
5.4.1.1, 14
Taxes
3.6, 3.8.2.1, 7.3.4.4
Termination by the Contractor
14.1, 15.1.7
Termination by the Owner for Cause
5.4.1.1, 14.2, 15.1.7
Termination by the Owner for Convenience
14.4
Termination of the Architect
2.3.3
Termination of the Contractor Employment
14.2.2

TERMINATION OR SUSPENSION OF THE CONTRACT
14
Tests and Inspections
3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 10.3.2, 12.2.1, 13.4
TIME
8
Time, Delays and Extensions of
3.2.4, 3.7.4, 5.2.3, 7.2.1, 7.3.1, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.6, 15.2.5
Time Limits
2.1.2, 2.2, 2.5, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2, 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, 12.2, 13.4, 14, 15.1.2, 15.1.3, 15.4
Time Limits on Claims
3.7.4, 10.2.8, 15.1.2, 15.1.3
Title to Work
9.3.2, 9.3.3
UNCOVERING AND CORRECTION OF WORK
12
Uncovering of Work
12.1
Unforeseen Conditions, Concealed or Unknown
3.7.4, 8.3.1, 10.3
Unit Prices
7.3.3.2, 9.1.2
Use of Documents
1.1.1, 1.5, 2.3.6, 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
13.3.2
Waiver of Claims by the Contractor
9.10.5, 13.3.2, 15.1.7
Waiver of Claims by the Owner
9.9.3, 9.10.3, 9.10.4, 12.2.2.1, 13.3.2, 14.2.4, 15.1.7
Waiver of Consequential Damages
14.2.4, 15.1.7
Waiver of Liens
9.3, 9.10.2, 9.10.4
Waivers of Subrogation
6.1.1, 11.3
Warranty
3.5, 4.2.9, 9.3.3, 9.8.4, 9.9.1, 9.10.2, 9.10.4, 12.2.2, 15.1.2
Weather Delays
8.3, 15.1.6.2
Work, Definition of
1.1.3
Written Consent
1.5.2, 3.4.2, 3.7.4, 3.12.8, 3.14.2, 4.1.2, 9.3.2, 9.10.3, 13.2, 13.3.2, 15.4.4.2
Written Interpretations
4.2.11, 4.2.12
Written Orders
1.1.1, 2.4, 3.9, 7, 8.2.2, 12.1, 12.2, 13.4.2, 14.3.1

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, 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 the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

§ 1.1.1.1 Notwithstanding the foregoing, it is understood and agreed that the Owner is an intended third-party beneficiary of all contracts between the Contractor and Subcontractors or Suppliers who provide labor and/or materials for the
Work.

§ 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 Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the 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 and 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 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2017.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 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 in tended results.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 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.

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

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that 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

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.

§ 1.4.2

In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

1. The Owner/Contractor Agreement;
2. All Addenda to the Agreement with those of later date having precedence over those of earlier date;
3. The Supplementary Conditions;
4. The General Conditions of the Contract for Construction;
5. Specifications;
6. Drawings, with larger scale drawings having precedence over smaller scale drawings.

In the case of inconsistency between Drawings and Specifications or within Contract Documents not clarified by Addenda, the better quality or greater quantity of Work shall be provided in accordance with the Architect's interpretation.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights. The Owner retains rights to the Instruments of Service pursuant to Article 7 of AIA Document B101-2017.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 1.5.3 The Architect shall furnish to the Contractor a version of the Instruments of Service in electronic form for the sole purpose of the construction of the Project for which the Instruments of Service were created.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties may use AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit or other form, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol Form or other form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

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 shall designate in writing a 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 Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within thirty (30) 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 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.2, the Contract Time shall be extended appropriately and the Contract

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents.

§ 2.2.3 After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.4 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1 and other obligations, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 If requested by the Contractor and reasonably required for the Project, the Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The Contractor shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services. The Contractor, not the Owner, is responsible for the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the Contractor.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, 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, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a three-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services and expenses made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner within ten (10) days following written request for payment delivered by the Owner to the Contractor. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

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 Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. 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.

§ 3.1.2

The Contractor shall hire a professional utilities locator to investigate and verify all private utility locations prior to excavation and cutting into of existing Work. The Contractor is responsible for locating, terminating, and reinstallation of all private utilities. Private site utilities may not be in the Drawings and Project Manual and as such, verification of private utilities is the sole responsibility of the Contractor. Costs associated with moving and repairing of unknown and undocumented utilities will be by appropriate Change Order. The Contractor shall comply with Gopher State One Call, or other public utility service locator to locate all public utilities prior to any work on site. This shall not relieve Contractor from obligations under 3.2.2.1.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents 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 or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 The Contractor
shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to Subparagraph 2.2.3 and shall immediately report to the Architect errors, inconsistencies, or omissions discovered. The Contractor shall not be liable to the Owner or Architect for damage resulting from errors, inconsistencies, or omissions in the Contract Document unless the Contractor recognized such error, inconsistency, or omission and knowingly failed to report it to the Architect. If the Contractor performs any construction activity knowing or believing it involves a recognized error, inconsistency, or omission in the Contract Documents without such notice to the Architect, the Contractor shall assume full responsibility for such performance and shall bear the attributable costs for correction and shall bear responsibility for any additional costs, delays, and damages resulting from such failure to immediately report any such errors, inconsistencies, or omissions which the Contractor may discover.

§ 3.2.1.1 The Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the Contractor with the contract documents before commencing activities. Errors, inconsistencies, or omissions discovered shall be reported to the Architect immediately in writing.

§ 3.2.1.2 The Contractor shall carefully study and compare the Contract Documents with existing conditions at the job site and shall immediately report in writing to the Architect any error, inconsistency, or omission which the Contractor may
discover or any materials, systems, procedures, or methods of construction, either shown on the Drawings or specified, which the Contractor has reason to believe are incorrect, inadequate, obsolete, unsuitable for the purpose intended or which the Contractor has reason to believe would constitute or result in a violation of the Contractor's

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

warranty under Paragraph 3.5 or applicable law. The Contractor shall not proceed with any work in such areas until written instructions are received from the Architect.

§ 3.2.2 The Contractor shall perform the Work in accordance with the Contract Documents and submittals accepted pursuant to Paragraph 3.12.

§ 3.2.3 The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect for the Architect to evaluate and respond to the Contractor's requests for interpretation or information where such information was available to the Contractor from a careful study and comparison of the Contract Documents, Field Conditions, Owner Provided Information, Contractor Prepared Coordination Drawings, or prior Project Correspondence or Documentation.

§ 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. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be 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 notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 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.

§ 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.

§ 3.3.4 The Contractor shall at all times staff the Project adequately to allow the Project to be managed and completed in a timely and professional manner. The Contractor shall have competent supervision on the job during work hours and readily available at all times upon call.

§ 3.3.5 The Contractor shall at all times make reasonable provisions to protect any work performed by any separate contractors, adjacent property, and the existing building (if any) from damage due to the Work or due to the weather.

§ 3.3.6 The Owner or its approved representative (heretofore referred to as Owner's Representative) shall have access to the Work site and all Work. No supervision or inspection by the Owner or the Owner's Representative, nor the authority to act nor any other actions taken by the Owner's Representative shall relieve the Contractor of any of its obligations under the Contract Documents or give rise to any duty on the part of the Owner.

§ 3.3.7 The Contractor shall take appropriate precautions to ensure that the Work does not materially disrupt any ongoing operation by the Owner at the Project (if any) except to the extent any such disruption is a necessary result of performing a particular portion of the Work, in which case the contractor shall provide the Owner with reasonable advanced written notice and shall take all commercially reasonable measures to minimize the impact on the Owner and the Owner's
operations.

§ 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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

and whether or not incorporated or to be incorporated in the Work. Should the Contract Documents require Work to be performed after regular working hours or should the Contractor elect to perform Work after regular working hours, the additional cost of such Work shall be borne by the contractor.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

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

§ 3.4.4 The Contractor shall be responsible for all additional costs incurred to incorporate into the project substitute materials, products, or equipment approved by Owner during the bidding period.

§ 3.4.5 The Contractor shall exercise reasonable efforts, consistent with the provisions of the Contract Documents to obtain the maximum available cash discounts on all materials, provided that, in doing so, the Contractor shall not accept or use materials for incorporation into the Project which are of a type or quality not reasonably contemplated under the terms of the Contract Documents.

§ 3.4.6 After award of the Contract, a request for substitution of a material, product, or piece of equipment at no change in the Contract Sum will not be approved by the Owner or the Architect, unless the specified item is no longer manufactured, the specified item is unavailable as a result of an act of government such as a declaration of a national emergency, or delivery of the specified items is substantially delayed as a result of labor disputes affecting the manufacturer, unusual delay in transportation, or any other cause beyond control of the Contractor or a Subcontractor or material supplier which the Architect determines justified the delay. Requests will not be approved where the delay in delivery results from failure to promptly place subcontracts and material orders. Requests for substitution shall be submitted in writing to the Architect and shall clearly describe the proposed substitution, state the reason for the unavailability of a specified item and be accompanied by such additional data and information as may be necessary in the discretion of the Owner and the Architect to establish the acceptability of the proposed substitute.

§ 3.4.6 The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect to evaluate the Contractor's proposed Substitutions and for changes made to the Contract Documents as a result of Owner's acceptance of such
Substitutions.

§ 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 the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work 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.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4. The Contractor shall arrange for the Owner to have the benefit of and right to enforce all warranties by Subcontractors, Sub-subcontractors, suppliers, and manufacturers.

§ 3.5.3 Manufacturers' warranties and warranties by others shall not relieve the Contractor of any of its

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

responsibilities.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded. The Contractor shall be responsible for the Sewer Access (SAC) and Water Access (WAC) fees for the Project. The Contractor shall pay the SAC/WAC costs to the authorities having jurisdiction from the Allowance in the Base Bid for such charges as defined in the Construction Documents.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing or believing it to be contrary to applicable laws, statutes, ordinances, building codes, rules and regulations, or lawful orders of public authorities, without such notice to the Architect and Owner, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs, delays, and damages resulting from such failure to immediately notify the Architect and Owner of any such violation.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that 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, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than ten (10) days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that 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 that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect 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 Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 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;

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

.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; and

.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) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work including that performed by all Subcontractors. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications including and not limited to communications regarding design changes, alterations, substitutions, clarifications, cost changes, etc. shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. All communications given to the superintendent shall be confirmed in writing to the Contractor upon written request of either or both the superintendent and Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent or any other management personnel to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.9.4 If requested by the Owner, the Contractor shall preplace the Superintendent at no additional cost to the Owner. No other change in this position shall be made without notice to and written consent of the **Owner.**

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, critical path schedule milestones, major construction milestones including and not limited to Civil, Demolition, Structural, Mechanical, Electrical, and Plumbing, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.2 The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's approval. The Architect's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to and accepted by the Owner and Architect.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, one record copy of the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and updated daily to indicate field changes and selections made during construction, and in addition accepted and approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner as required to complete routine inspections by Architect and Owner prior to any approval of payments to the Contractor, and delivered to the Architect for submittal to the Owner upon completion of the Work. The Architect and Contractor must verify that all "as-built" Drawings, Specifications, Addenda, Change Orders, and other Modifications are up-to-date before Contractor's Application for Payment is acceptable and before the Owner incurs any duty to pay Contractor in accordance with the Contract. The record documents shall be a separate set of documents labeled "Record Documents" and used only for record purposes and kept clean and undamaged.

§ 3.11.1 No review or receipt of such records by the Architect or Owner shall be considered a waiver of any deviation from the Contract Documents or approved shop drawings, or any way relieve the Contractor from its responsibility to perform the Work in accordance with the Contract Documents.

§ 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 that 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. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. 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 that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, 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.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) 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 accepted by the Architect.

§ 3.12.8 The Work shall be in accordance with accepted submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's acceptance of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written acceptance to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

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 acceptance 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 notice, the Architect's acceptance of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that 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 law.

§ 3.12.10.1 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 be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately 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 and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and 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.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 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. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 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 construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall hire a professional utilities locator to verify locations of all public and private utilities prior to initiating any cutting work. the Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

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

§ 3.17 Royalties, Patents and Copyrights

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 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 an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, 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 or resulting from performance of the Work, 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), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 3.18. The Contractor, furthermore, agrees to obtain, maintain, and pay for such general liability coverage and endorsements (including product and completed operations coverage) as will ensure the provisions of this paragraph. The Contractor agrees to reimburse the Owner, its agents and employees for all costs and disbursements, including attorneys' fees, paid or incurred to enforce the provisions of this paragraph.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

§ 3.18.3 To the fullest extent permitted by law and without limiting any other indemnification obligations of the Contractor, except to the extent caused by the uncured failure of the Owner to make payment when required by the Contract Documents, the Contractor shall indemnify and defend the Owner, its officers, directors, assigns, lenders, agents, and employees from any liens, charges (including attorney's fees) or encumbrances (including but not limited to mechanic's and materialmen's liens or bond claims) arising out of or in connection with the performance of the Work by Contractor, its Subcontractors, or its material suppliers. Upon request of the Owner, the Contractor shall within 60 days remove any liens filed against the Owner or its property. If the Contractor fails to do so, the Owner is authorized by the Contractor to remove or satisfy any such liens, and the Contractor shall pay to the Owner all costs and damages incurred by the Owner to do so, including attorneys' fees.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 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, Contractor, and Architect. Consent shall not be unreasonably withheld.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 4.1.3 In the event the employment of the Architect is terminated, the Owner may employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.1.4 Disputes arising under Subparagraphs 4.1.2 and 4.1.3 shall be subject to action at law as provided in Paragraph 15.3.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be the Owner's consultant (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the correction period described in Paragraph 12.2. The Architect will advise and consult with the Owner. The Architect will have the 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.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the Work completed, to endeavor to guard the Owner against defects and deficiencies in the Work, and to determine in general if the Work is being performed in a manner indicating that the Work, when 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. On the basis of on-site observations as an architect, the Architect will keep the Owner informed of progress of the Work and will endeavor to guard the Owner against defects and deficiencies in the Work.

§ 4.2.2.2 The Contractor shall reimburse the Owner for compensation paid to the Architect for additional site visits made necessary by the fault, neglect, or request of the Contractor.

§ 4.2.3 The Architect will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the
Contractor's responsibility as provided in Paragraph 3.3. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with 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 performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner unless otherwise provided. The Contract Documents may specify other communication protocols. The Owner may require the Architect and the Contractor to comply with Owner requirements in regards to public communications and site signage.

§ 4.2.5 Based on the Architect's observations and valuations of the Work and of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable for implementation of the intent of the Contract Documents, the Architect will have authority to require additional inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 4.2.7 The Architect will and the Owner may 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 or Owner's action will be taken 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 by the Architect or the Owner 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 or the Owner'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 or the Owner's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's or Owner's acceptance of a specific item shall not indicate acceptance of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; 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 pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 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 Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

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

§ 4.2.12 Interpretations and decisions 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 interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions so rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

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. 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 the 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. The term "Sub-subcontractor" is referred to throughout the Contract

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

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 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect in writing of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection. The Contractor shall not employ any subcontractor or use any material to which the Architect or Owner may object as incompetent or unfit, or where there is reason to assume the Work will not be accomplished in accordance with the Contract Documents. Prior to the employment of the named subcontractors, the Contractor must obtain the Owner's approval of such subcontracts for the designated portion of the Work.

§ 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.

§ 5.2.2.1 The right to reject any Subcontractor or Sub-subcontractor will be exercised by the Owner or the Architect when in the reasonable opinion of either of them the proposed Subcontractor or Sub-subcontractor:

1. cannot provide (or proposes unacceptable deviations in) materials, equipment, systems, methods, facilities, or other work as required by the Contract Documents;
2. cannot provide labor and skill necessary to accomplish the part of the Work for which it is proposed, including but not limited to quality of craft;
3. lacks experience appropriate to the proper execution and completion for that part of the Work for which the Subcontractor or Sub-subcontractor is proposed;
4. has previously failed to perform satisfactorily with respect to other projects, including cooperation and necessary services after project completion;
5. cannot satisfactorily perform the part of the Work for which the Subcontractor or Sub-subcontractor is proposed within the time schedule, due to financial status, size of organization, existing workload or other considerations;
6. cannot demonstrate ability, through examples of representative work, to perform the part of the Work for which the Subcontractor or Sub-subcontractor is being considered; or
7. exhibits other factors bearing on the probability of unsatisfactory performance.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. The Contract Sum shall be increased or decreased by the difference, in cost occasioned by such change, and an appropriate Change Order shall be issued. However, no increase in the Contract Sum shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required. Notwithstanding the foregoing, the Contractor shall have a continuing duty to the Owner and Architect to find and propose such persons or entities as shall not result in material increase in the Contract Sum, or a material decrease in the quality of Work contemplated under the Contract Documents.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution. Any proposed substitution or a subcontractor, person, or entity for one previously selected shall be made in a separate writing to the Owner and Architect. No substitution shall be deemed approved/accepted without written confirmation from the Owner and Architect. Neither acceptance of, nor objection to a Subcontractor or Sub-subcontractor, material supplier, or other person or organization by the Owner and the Architect shall limit the responsibility of the Contractor to furnish materials, products, equipment, and services in conformance with the requirements of the Contract Documents.

§ 5.3 Subcontractual Relations

By appropriate 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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Subcontractor's Work that the Contractor, by these Contract 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. Where appropriate, 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 that may be at variance with the Contract Documents. Subcontractors shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.3.2 The Contractor, not the Owner, is responsible for the performance of, the actions of, the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the **Contractor.**

§ 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 for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 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 cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

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 term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for 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 Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised. The Contractor shall schedule, coordinate, and cooperate fully with all other contractors. The

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Contractor shall take all reasonable steps necessary to assure scheduling, coordination, and cooperation among the contractors.

§ 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 or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has 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 notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work 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. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not reasonably discoverable.

§ 6.2.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

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

§ 6.2.5 Claims and other disputes and matters in question between the Contractor and a separate contractor shall be subject to the provisions of Article 15 provided the separate contractor has reciprocal obligations.

§ 6.2.6 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Paragraph 3.14.

§ 6.3 Owner's Right to Clean Up

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 as described in Paragraph 3.15, the Owner may clean up and allocate the cost among those responsible as the Architect determines to be just.

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.

§ 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.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.1.4 The amount of credit to be allowed by the contractor to the Owner for any deletion or change which results in a net decrease in the Contract Sum will be the amount of the actual net cost as confirmed by the Architect after

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

consultation with the Owner. When both additions and credits covering related Work or substitutions are involved in any one change, the allowance for both overhead and profit shall be figured on the basis of the net increase or decrease, if any, with respect to that change.

§ 7.1.5 In Paragraph 7.3.6, the allowance for the combined overhead and profit included in the total cost to the Owner shall be based on the following schedule:

1. For the Contractor, for Work performed by the Contractor's own forces, ten percent (10%) of the cost,
2. For the Contractor, for Work performed by the Contractor's Subcontractor, five percent (5%) of the amount due the Subcontractor.
3. For each Subcontractor or Sub-subcontractor involved for Work performed by the Subcontractor's or Sub-subcontractor's own forces, ten percent (10%) of the cost.
4. For each Subcontractor for Work performed by the Subcontractor's Sub-subcontractor, five percent (5%) of the amount due the Subcontractor.
5. Costs to which overhead and profit is to be applied shall be determined in accordance with Subparagraph 7.3.6.
6. In order to facilitate checking of quotations for extras or credits, all proposals, expect those so minor that their propriety can be seen by inspection, shall be accompanied by a complete itemization of costs, including labor, materials and subcontracts. Labor and materials shall be itemized in the manner prescribed above. Where major cost items are subcontracts, they shall be itemized also. In no case will a change involving over $500 be approved without such itemization.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

.1 The 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 Change Orders shall be prepared on AIA Document G701.

§ 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 and Architect, 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:

.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 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. 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 7.3.4 shall be limited to the following:

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

.1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;

.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 (at rates approved by the Owner);

.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and

.5 Costs of supervision and field office personnel directly attributable to the change.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect 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.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that 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.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment up to and not exceeding $25,000. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing and approved by the Owner. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

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 Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons or entities for whom the Contractor is responsible.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term “day” shall mean calendar day of 24 hours beginning at 12:00 midnight. Calendar days as stated in the Contract Documents, shall include all days of a seven (7) day week including Saturdays, Sundays, and holidays. The term "Milestone Date" is, in each instance, the date established in the Contract Documents for the Substantial completion of all or a designated portion of the Work.

§ 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, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time and shall achieve specific contractual Milestone Dates (if any), Substantial Completion and final Completion within the time stated in the Contract Documents..

§ 8.2.4 Contractor understands and agrees that all Work must be performed in an orderly and closely coordinated sequence so that the dates for Substantial Completion, Final Completion, and Milestone Dates (if any) may be met by the Contractor.

§ 8.2.5 Timely final Completion of the Project being of critical importance to the Owner, Contractor agrees that they shall substantially complete all Work under the Contract documents within the time established herein and that they shall finally complete the Work in the detail required and in the time required by the Contract Documents.

§ 8.2.6 To the extent that the Contract Documents contain or provide for specific contractual Milestone Dates in addition to Final and Substantial Completion dates, such dates shall be adhered to and shall be the last acceptable dates for those milestones and completions, unless modified by the Owner.

§ 8.2.7 Notwithstanding anything to the contrary contained in the Contract Documents, in the event that any Contractor fails, or appears likely, in the reasonable opinion of the Owner, to fail to complete a critical portion of their Work on time or to complete any dates for Substantial Completion, Final Completion, or Milestone Dates as evidenced by the latest update of the CPM Schedule Report, the Owner shall have the right to select and require Contractor's performance under any or all of the following operations:

1. Require the Contractor to substantiate their capability to get back on schedule within two (2) days;
2. Require the Contractor, at no additional cost to the Owner, to increase their work force, work overtime and/or extra shifts and do whatever else is required by the Owner until the Contractor gets back on schedule as established by the CPM Schedule Report (including any updates thereto);
3. Withhold progress payments or portions thereof until such time as the contractor returns to schedule, but only related to Substantial Completion or Final Completion;
4. Contact or visit the factory, plant, or distribution center whose production or delivery schedule may be critical to the scheduled completion of a portion of the contract work and expedite such production delivery at Contractor's expense; or
5. Require the Contractor to complete, in detail, and submit weekly a Short Interval Schedule (SIS) showing: 1) planning for the next two weeks; 2) work completed for the previous week; 3) sufficient detail to evaluate daily milestone (if any) and manpower/equipment loading, and shall identify/tie into the monthly updated CPM Schedule Report.

Any costs incurred by the Contractor in fulfilling the option(s) selected by the Owner shall be at the Contractor's expense.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; or (4) by other causes that the Contractor asserts, and the Architect determines, justify delay, then subject to the conditions hereinafter set forth, the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine. Requests for extensions of time for causes enumerated above will be considered by the Architect only under the following conditions:

1. Only those conditions enumerated above over which the Contractor has no control will be considered. The burden of proof to substantiate the claim for an extension shall rest with the Contractor, including evidence that the cause was beyond their control. It shall be deemed the Contractor has control over the supply of labor, materials, equipment, methods, techniques, and over their subcontractors and suppliers.
2. In the event of Changes in the Work, any consideration for a time extension will be made only at the time of authorizing the changes, and no later than when the Change Order is prepared, and only if the Change Order significantly affects the time and progress of the entire Work. For changes which do not affect the entire Work, time extension may be granted only for the area, phase, unit, or element affected by the change, if due to a valid reason for a time extension;
3. Any unusual delay in deliveries will not be considered unless it is solely due to transportation. An extension of time will not be granted for delays in deliveries where said delivery was not properly scheduled or when orders were not promptly and properly placed;
4. With respect to a claim for an extension of time as a result of climatic conditions, the Contractor shall recognize the location of the site and the existence, as normal, or variations from "average" conditions. Foul weather in itself will not be a valid reason for a time extension. Requests for time extensions because of delay resulting from weather extremes will not be considered unless a substantial variation from usual weather conditions occurs for a significant period of time, during phases of the Work when operation necessarily were suspended to a significant degree when they would otherwise have been in progress. In considering the time extension, the weather conditions both before and after the period in which the delay is claimed will be evaluated with credit given for unseasonably favorable weather;
5. Delays resulting from a labor dispute will not result in a time extension of a longer period than the dispute, plus a reasonable time for mobilization if justified and necessary as approved by the Architect, and may be less depending on the impact of the dispute, including what operations were suspended or curtailed;
6. A delay in the overall Project progress actually occurred and clearly disrupted the total Project programs as a result of one of the valid causes for time extension. An extension of time for parts, phases, or stages may be granted where a valid delay indicated such partial time extension is justified;
7. No time extension will be granted as a result of improper scheduling or for failure to have shop drawings or samples submitted in ample time for review under a reasonable and agreed upon schedule; or
8. Delays by subcontractors or suppliers will not be considered justification for a time extension, expect for the same valid reasons and conditions enumerated under Subparagraph 8.3.1.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

§ 8.3.4 The Contractor shall be responsible for all Owner incurred costs associated with a Contractor related to delay in completion of the Project. These costs may include, but are not limited to, Owner staff overtime, Consultant additional fees, additional testing, and/or additional rental or storage costs. A Change Order or Construction Change Directive will be issued to cover these costs. If a Change Order is not agreed to by the Contractor, the Owner, after presenting documentation to the Contractor, may deduct these amounts without a Change Order from the Contract Sum. This is subject to the right of either party to disagree and assert a claim in accordance with Article **15.**

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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Before the first Application for Payment, the Contractor shall submit to the Architect a schedule of values allocated to various portions of the Work, prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. The schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment. The Contractor, after receipt of Notice to Proceed, shall meet with the Owner and the Architect for the purpose of reviewing the Project CPM Schedule and the Contract Schedule of Values. The Contractor shall develop a CPM Schedule for completing their portion of the Work, in conjunction with all other Contractors or Bid Packages, at the Pre-Construction Meeting(s). The Schedule of Values is to be broken down into specification sections and by labor and materials.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for operations comp0leted in accordance with the Schedule of Values. Such application shall be notarized and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and material suppliers, and reflecting retainage if provided for elsewhere in the Contract Documents. The form of Application for Payment shall be a notarized AIA Document G702, Application and Certification for Payment, supported by AIA Document G703, Continuation Sheet.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Such applications shall not include requests for payment of amounts the Contractor does not intend to pay a Subcontractor or supplier because of a dispute or other reason.

§ 9.3.1.2 Following certification of the Application for Payment by the Architect, the Owner shall pay 95% of its value, retaining 5% until Final Completion.

§ 9.3.1.3 Contractor shall provide lien waivers for itself for the current payment application and for Subcontractors, Sub-subcontractors, and suppliers for the pervious payment application before the Contractor has earned or has the right to receive payment for the specific items of work or materials covered by the lien waivers. All lien waivers shall be provided in the form required by the Owner. This Paragraph shall not limit other obligations of the Contractor contained elsewhere to provide lien waivers.

§ 9.3.2 Unless otherwise provided in the Contract Documents, 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 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 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.

§ 9.3.3 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, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.3.4 In each Application for Payment, the contractor shall certify as follows: "That there are no known mechanics' or materialmen's liens or stop notice claims outstanding by the application or any of its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers, or laborers at the date of this application, that all due and payable bills with respect to the Work have been paid or are included in the amount requested in current application, and that, except for such bills, not paid by Owner, but so included, there is no known basis for the filing of any mechanics' or materialmen's liens or stop notice claims on the Work, and that waivers from Contractor, its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers and laborers have been obtained in such form as to constitute an effective waiver of liens or stop notice claims, under the laws of the State of Minnesota to the extent of payments made by Owner to Contractor."

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's observations at the site, evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. 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 completion, and to specific qualifications expressed by the Architect. 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 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

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, 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 suppliers 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 a Separate Contractor;
- **.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; or
- **.7** repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment within thirty (30) days of receipt by Owner of Certificate of Payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the 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. Per Minnesota Statute 471.425, within ten (10) days of Contractor's receipt of payment from Owner, the Contractor must pay any Subcontractor for any undisputed services provided by the Subcontractor. The Contractor shall pay interest of one and one-half percent (1-1/2%) per month, or any part of a month, to the Subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10.00. For an unpaid balance of less than $100, the Contractor shall pay the actual interest penalty due to the Subcontractor. Contractor is advised that by reason of Minnesota Statute 471.425, Subd. 4a, if a Subcontractor prevails in a civil action to collect interest penalties from a prime contractor, the Subcontractor must be awarded its costs and disbursements, including attorney's fees incurred in bringing the action.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, 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.

§ 9.6.7 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 or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers 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, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within thirty (30) days after the date established in the Contract Documents, the amount certified by the Architect, then the Contractor may, upon ten (10) additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, which shall be accomplished as provided in Article 7.

§ 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 and when the Architect issues a certificate of Substantial Completion.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not in accordance with the requirements of the Contract documents, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item, upon notification by the Architect. The Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion. When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Document shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

§ 9.8.6 Upon Substantial completion of the Work or designated portion thereof and upon application by the Contractor and certification by the Architect, the Owner shall make payment, reflecting adjustment in retainage, if any, for such Work or portion thereof as provided in the Contract Documents.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.8.6.1 The retainage is for the performance of the Contractor. Nothing in this Agreement connects the retainage to the Subcontractors. Upon satisfactory completion of the Project, and full payment by the Owner to the Contractor for the Work of any Subcontractor, the Subcontractor is to be paid in full. The Owner, at its sole discretion, may continue or make adjustments of the full retainage for the performance of the Contractor.

§ 9.8.6.2 Prior to requesting a reduction of retainage, the Contractor shall obtain in writing an agreement from the Surety agreeing to such a reduction. In reducing retainage, the Contractor shall use the retainage to make full payment to Subcontractors who have completed 100% of their work. The Contractor shall provide to the Owner documentation of payment to Subcontractors and an agreement for retainage deduction from the Surety of the Subcontractor.

§ 9.8.7 The Architect shall make inspection(s) for Substantial Completion and Final Completion in accordance with the AIA Document B101 Owner Architect Agreement. If additional inspections are required due to the Contractor's failure to complete previously listed corrective or uncompleted work, the Architect's expense for conducting such re-inspections and related time in processing, reviewing, and revision of requirements shall be charged to the Contractor and such payment shall be accomplished by a deductive Change Order to the Contractor.

§ 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 and authorized by public authorities having jurisdiction over the Project. 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.

§ 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 the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds 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 observations, on-site visits and inspections, the Work has been completed in accordance with 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 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, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least sixty (60) days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties,

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

such as manufacturers' warranties or specific Subcontractor warranties, including a summary listing all applicable warranties both standard and extended, itemized by specification section and included at the front of the Operation and Maintenance manuals, and (6) other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance 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 the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect 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, corrected, 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 the 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 Architect 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 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- **.1** liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- **.2** failure of the Work to comply with the requirements of the Contract Documents;
- **.3** terms of special warranties required by the Contract Documents; or
- **.4** audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, 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.

§ 9.11 DAMAGES FOR DELAY

§ 9.11.1 The Contractor shall be responsible for damages incurred by the Owner and any other separate contractors for delay resulting from the Contractor's failure to complete the Work within the contract Time or resulting from the progress of the Work failing to substantially conform to the Project Construction Schedule.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.1.2 The Contractor shall comply with all applicable laws and regulations. Notwithstanding any language to the contrary, the Owner shall not have any responsibility for job site inspections or safety recommendations. Any inspections or observations by the Owner or the Architect are solely for the benefit of the Owner and shall not create any duties or obligations to anyone
else.

§ 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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

.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, a Subcontractor, or a Sub-subcontractor; 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 comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, 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 the owners and users of adjacent sites and utilities of the safeguards.

§ 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. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is 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, 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 permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damages to person or property because of an act or omission of the other party, of any of the other party's employees or agents, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding ten (10) days after first observance. The notice shall provide sufficient detail to enable the other party to investigate the matter. If a Claim for additional cost or time related to this Claim is to be asserted, it shall be filed as provided in Paragraphs 15.1.4 and 15.1.5.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 In the event the Contractor encounters on the site material reasonably believed to be asbestos or polychlorinated biphenyl (PCV) which has not been rendered harmless, the Contractor shall immediately stop Work in the area affected and report the condition to the Owner and Architect in writing. The Work in the affected area shall not thereafter be resumed except by written agreement of the Owner and Contractor if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has not been rendered harmless. The Work in the affected area shall be resumed in the absence of asbestos or polychlorinated biphenyl (PCB), or when it has been rendered harmless, by written agreement of the Owner and Contractor.

1. Except where otherwise stated in the Contract Documents, no hazardous material work of any nature shall be performed by the Contractor pursuant to this Contract.
2. The term "hazardous materials" includes, but is not limited to, asbestos, toxic chemicals, acids, alkalis, irritants, contaminants, or other pollutants, together with any other waste, material, substance, pollutants, or

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

contaminant, all or a portion of which is or would be designated as hazardous waste or substance under applicable local, state, or federal laws, ordinances, codes, rules, or regulations.

§ 10.3.2 The Contractor shall not be required pursuant to Article 7 to perform without consent any Work relating to asbestos or polychlorinated biphenyl (PCB)

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, 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 or resulting from performance of the Work in the affected area if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has 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), including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of the Owner, anyone directly or indirectly employed by the Owner, or anyone for whose acts the Owner may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Subparagraph 10.3.3.

§ 10.3.4 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered on the site by the contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. The Owner, Contractor, and Architect shall then proceed in the same manner described in Subparagraph 10.3.1.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence. Owner shall be responsible for obtaining the services of a licensed laboratory to verify a presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless.

§ 10.3.6 Regulations concerning the availability of information and employee training in the use and handling of "hazardous substances" and "harmful physical agents", as set forth in the Employee Right-to-Know Act of 1983, Minnesota Statutes Section 182.65 to 182.676 are incorporated herein by reference as if fully set forth herein.

§ 10.3.7 The Contractor shall furnish three Material Safety Data Sheets to the Owner for each material used in the Work that is classified by the Employee Right-to-Know Act of 1983 as a "hazardous substance" or a "harmful physical agent."

§ 10.3.8 The Contractor shall label, in generally accepted and/or standardized fashion, all containers on the work site containing "hazardous substances" or as "harmful physical agents." This shall include factory containers and all subsequent containers used in the Work.

§ 10.4 The Owner shall not be responsible under Section 10.3 for materials and substances brought to the site by the Contractor unless such materials or substances were required by the Contract Documents.

§ 10.5 MISCELLANEOUS GENERAL PROVISIONS

§ 10.5.1 In occupied facilities from the time the Work is begun until the Contract is completed, the Contractor shall be responsible for coordinating care and control of their contracted responsibilities with the Owner on the construction premises. The Contractor shall maintain all the Contractor's Work areas on the Project site in first class condition during term of operation under this Contract.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 10.5.2 The Contractor shall give full protection to existing adjacent buildings and occupants. The Contractor shall replace or repair, at the Contractor's own expense, all damage to existing buildings, sidewalks, curbs, drives, fences, planters, signage, monuments, lawns, plants, trees, and shrubbery arising as a result of Work performed under the Contract.

§ 10.5.3 Utilities encountered, whether shown on Project Drawings or not, shall be protected and maintained in service until moved or abandoned. The Contractor shall exercise care in the excavation around such utilities as may be shown on the Project Drawings or otherwise found, and which are not to be moved, replaced, or abandoned, and shall restore any damaged items or Work to the same conditions (or better) as existed prior to starting Work. Utilities or other service shown to be abandoned shall be maintained in service until facilities are provided, tested, and ready to use. The Contractor shall take all reasonable precautions in working in the area of excavation to avoid personal injury or property damage resulting from interception or interruption of electrical, telephone, sewer, water, gas, or other services, and shall also cause all Subcontractors, Sub-subcontractors material suppliers, laborers, and other persons on the construction premises to take such precautions. The location and nature of such concealed or buried services is not guaranteed or completely indicated by Owner or Architect.

§ 10.5.4 The Contractor shall at all times take reasonable and adequate precautions to protect the Work from damage by the elements, including flooding, rainstorms, windstorms, and any other elements or natural events, etc., and shall not expose the Work of any other contractor to such damages. Where the Contractor, any Subcontractor, or any Sub-subcontractor prepares or erects any material during any season of the year when freezing weather may be anticipated, the Contractor shall employ (and shall cause such Subcontractor or Sub-subcontractor to employ) such methods as may be necessary to render such Work equal in every respect to similar Work done under favorable conditions and the Contractor shall exercise (and shall cause any such Subcontractor or Sub-subcontractor to exercise) reasonable care and diligence to prevent its damage or deterioration. The Contractor shall be responsible for maintaining the building an a dry condition until acceptance. The Contractor shall be responsible for any damage from water, as well as for damage, collapse, or failure of any part of the building caused by excess water undermining or creating pressures on the structures.

§ 10.5.5 The Contractor shall not sue any internal combustion machinery that causes noxious, harmful, or toxic fumes inside an enclosed building. When use of internal combustion machinery is unavoidable inside enclosed buildings, the Contractor shall obtain written approval from the Owner prior to use of the machinery and shall provide full ventilation to the outside of the enclosed building for the exhaust of the internal combustion machinery. The Contractor shall locate internal combustion machinery outside an enclosed building so that the exhaust fumes will not enter the building through vent ducts, doors, windows, or other openings in the building.

§ 10.5.6 If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all reasonable costs and expenses thereby incurred.

§ 10.6 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act 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 Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement, in EXH-C.3 Owner Insurance, or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located and which carry a Best's rating of A- or higher or are otherwise acceptable to the Owner. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished. The Contractor shall furnish Certificates of Insurance acceptable to the Owner which shall specifically set forth evidence of all coverage required by Article 11 and EXH-C.3 Owner Insurance and shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance.

The Contractor shall not allow insurance required by this Agreement to lapse, be canceled, reduced in limits or coverage, non-renewed, or materially changed or have restrictive modifications added during the life of this Agreement, including the periods of required coverage. The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, all additional certificates evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

§ 11.1.3.1 Acceptable insurance certificates are AIA Document G705, CICC of Minnesota Form 701, and/or ACORD form of the American Insurance Institute.

Failure of the Owner to collect certificates does not void the requirements to obtain insurance.

The acceptance of any certificate of insurance by the Owner shall not relieve or decrease the liability of the Contractor hereunder. It is to be understood the Owner and Architect do not in any way represent that the insurance specified in these articles are sufficient or adequate to protect the Contractor's interest or liabilities, but are merely minimum requirements.

The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

§ 11.1.4 In the event the Contractor fails to procure or maintain any insurance coverage required under this Agreement, the Owner may purchase such coverage and deduct the cost thereof from any monies due to the Contractor, or terminate this Agreement under Paragraph 14.2. The Contractor shall be liable to the Owner for providing all coverage, defense, and payments that would have been provided by any insurance that the Contractor failed to procure and maintain as required by the Contract Documents.

§ 11.1.5 Compliance by the Contractor with the foregoing insurance requirements shall not relieve it from liability for amounts in excess of the limits of insurance.

§ 11.1.6 The Contractor and any of its Subcontractors, Sub-subcontractors, agents and employees, and any separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees shall waive any of their subrogation rights on their Workers Compensation Policy in favor of the Owner and Architect. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogration 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.

§ 11.1.4 Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner may self-insure and maintain the Owner's usual liability insurance. Optionally, the Owner may purchase and maintain other insurance for self-protection against claims which may arise from operations under the Contract. The Contractor shall not be responsible for purchasing and maintaining this optional Owner's liability insurance unless specifically required by the Contract Documents.

§ 11.2.2 Failure to Purchase Required Property Insurance. If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Owner shall inform the Contractor in writing prior to commencement of the Work. Upon receipt of notice from the Owner, the Contractor may delay commencement of the Work and may obtain insurance that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Owner fails to procure coverage, the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent the loss to the Owner would have been covered by the insurance to have been procured by the Owner. The cost of the insurance shall be charged to the Owner by a Change Order. If the Owner does not provide written notice, and the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain the required insurance, the Owner shall reimburse the Contractor for all reasonable costs and damages attributable thereto.

§ 11.2.3 Notice of Cancellation or Expiration of Owner's Required Property Insurance. Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Owner shall provide notice to the Contractor of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Contractor, upon receipt of notice from the Owner, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor; (2) the Contract Time and Contract Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Contractor purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

(Paragraph Deleted)

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

§ 11.6.1 Contractor shall furnish a Performance Bond and a Payment Bond to the Owner in the amount of one hundred percent (100%) of the Contract Sum and issued by a Surety Company authorized to do business in the State of Minnesota, rated "A" or better, and approved by the Owner. The Performance Bond shall be in accordance with Minnesota Statutory requirements, and shall be in the form included in the Project Manual. The Bonds shall allow for any additions or deductions to the Contract Sum.

§ 11.6.2 In order to be acceptable as a surety, Contractor's bonding company bust hold a "Certificate of Authority" acceptable to the U.S. Treasury Department and be listed in the Department's current publication of "Bond Qualifiers" with underwriting limitations not less than ten percent (10%) above the Contract Sum.

§ 11.6.3 The surety of the Bonds shall be by a corporate surety company authorized to do business in the state in which Work is being performed under this Contract and acceptable to the Owner. The conditions of the bonds shall meet requirements of the statutes of the state where Work is being performed and all other applicable provisions of state law.

§ 11.6.4 The Contractor shall furnish two (2) originals of the Bonds to the Architect within ten (10) days after notification of award and before execution of the Contract. Failure to do so shall constitute a violation of terms of the proposal and provide grounds for forfeiture of bid security.

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 requested 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 that 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, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. The Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 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 any 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(and any other property damaged or removed in effecting the correction) after receipt of notice from the Owner and/or Architect to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner and/or Architect shall give such notice promptly after discovery of the condition. This period of
one year 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. This obligation under this Subparagraph 12.2.2.1 shall survive acceptance of the Work under the contract and termination of the Contract. The Owner and/or Architect shall give such notice promptly after discovery of the
condition. The expiration of the above one year or any other specified time period, or any other period prescribed by the law, shall not relieve the Contractor of the obligation form the expense to correct any latent defect in the work or deficiencies which are not readily ascertained, including but not limited to, defective materials and quality of work performed, defects attributable to material substitutions for special materials, substandard performance or otherwise not in compliance with the Contract Documents. Such latent defects or deficiencies shall be corrected as provided in this Paragraph 12.2. Following the correction or replacement of any of the Work, as above specified, the Contractor shall correct any defects or deficiencies in the corrected or replaced materials and workmanship which is found within one year after the date of correction or replacement.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that 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 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 2.4. If the Contractor does not proceed with correction of such nonconforming Work within a reasonable time fixed by written notice from the Architect, the Owner may correct or remove it and store the salvageable materials or equipment all at the Contractor's expense. If the Contractor does not pay costs of such removal and storage within ten (10) days after written notice, the Owner may upon ten (10) additional days' written notice sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after deducting costs and damages that should have been borne by the Contractor, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.

§ 12.2.5 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.

§ 12.2.6 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the contract documents. Establishment of the time period of one year as described in Subparagraph 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has 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 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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that 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

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 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.

§ 13.3.2 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 upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. The Owner 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. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may observe such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 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 13.4.1, the Architect will, upon written 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 a minimum of two (2) working days' notice to the Architect of when and where tests and inspections are to be made so that the Architect may observe procedures. The Owner shall bear such costs, except as provided in Subparagraph 13.4.3.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 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 Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 NON-DISCRIMINATION

§ 13.5.1 All contracts between the Owner and companies providing goods and services under the Contract Documents (including the Architect and Contractor) shall contain the following equal opportunity and civil right clause:
"During the performance of this Agreement, the provider agrees to the following: No contractor, material supplier, vendor, or other person shall on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from full employment rights in, participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, service, or activity under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964."

Upon request, the provider shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The provider shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

The provider acknowledges that the violation of the above-stated paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

This Agreement may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under this Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

§ 13.5.2 During the completion of the work and all other services required by the Contract Documents, the Architect and Contractor agree that no contractor, material supplier, vendor, or other person shall, on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from full employment rights in participation in, be denied the benefits of, or be otherwise subjected to discrimination under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964. Upon request, the Architect and Contractor shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The Architect and Contractor shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

Architect and Contractor acknowledge that the violation of the above-states paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

The Contract Documents may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under the Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

§ 13.6 No action or failure to act by the Owner shall constitute a waiver of a right or duty afforded the Owner under the Contract Documents, nor shall such action or failure to act constitute approval of or acquiescence of the Owner in a breach of the Contract Documents, except as may be specifically agreed in writing. None of the approval of any Application for Payment, the making of any payment, the giving of any approval or consent, the use or occupancy of the Work, or any part thereof, the making of final payment, or any other action or inaction on the part of the Owner or Architect shall constitute a waiver of claims by or rights of the Owner or an acceptance of any Work that is not in accordance with the Contract Documents. The Contractor shall not be relieved from its obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

representations of the Owner or Architect, or by inspections, tests, or approvals required or performed by the Owner or Architect or anyone else.

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 for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;

.2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;

.3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or

.4 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

.1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

.2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;

.3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or

.4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, 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, seven days' notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession 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 written 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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect'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. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and 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.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases or decreases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include reasonable profit. No adjustment shall be made to the extent

.1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or

.2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 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 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, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

(Paragraph Deleted)

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within ten (10) days after occurrence of the event giving rise to such Claim or within ten (10) days after the claimant first recognizes the

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

condition giving rise to the Claim, whichever is later. Any additional Claim made after and relating to the initial Claim has been implemented by Change Order will not be considered unless submitted in a timely manner.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by written notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. Subject to paragraph 15.1.5, no such continuing performance by the Contractor, nor payment by the Owner shall be deemed a waiver of, or to otherwise impair any such Claim.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for any increase in the Contract Time, notice as provided in Section 15.1.3 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.

§ 15.1.6.2 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.

§ 15.2 Initial Decision

§ 15.2.1 Claims, including those alleging an error or omission by the Architect, shall be referred initially to the Architect for action. A decision by the Architect, as provided by Subparagraph 15.2.2, shall be required as a condition precedent to action at law or litigation of a Claim between the Contractor and Owner as to all such matters arising prior to the date final payment is due, regardless if (1) whether such matters relate to execution and progress of the Work or (2) the extent to which the Work has been completed. The decision by the Architect in response to a Claim shall not be a condition precedent to action at law or litigation in the event (1) the position of *(Paragraph Deleted)*

Architect is vacant, (2) the Architect has not received evidence or has failed to render a decision within agreed time limits, (3) the Architect has failed to take action required under Subparagraph 15.2.2 within the ten (10) days after the Claim is made, (4) ten (10) days, which decision shall be final subject to action at law as provided in paragraph 15.3. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Architect will review Claims and take one or more of the following preliminary actions within ten (10) days of receipt of a Claim: (1) request additional supporting data from the claimant, (2) submit a schedule to the parties indicating when the Architect expects to take action, (3) reject the Claim in whole or in part stating reasons for the rejection, (4) recommend approval of the Claim by the other party, or (5) suggest a compromise. If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

requested by the Architect, the Architect shall notify the parties in writing that the Architect's decision will be made within ten (10) days, which decision shall be final subject to action at law as provided in Paragraph 15.3.

§ 15.2.3 If a Claim has been resolved, the Architect will prepare or obtain appropriate documentation.

§ 15.2.4 If a Claim has not been resolved, the party making the Claim shall, within ten (10 days after the Architect's preliminary response, take one or more of the following actions: (1) submit additional supporting data requested by the Architect, (2) modify the initial Claim, or (3) notify the Architect that the initial Claim stands.

§ 15.2.5 If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by the Architect, the Architect will notify the parties in writing that the Architect's decision will be made within seven (7) days, which decision shall be final and binding on the parties but subject to action at law. Upon expiration of such time period, the Architect will render to the parties
the Architect's written decision relative to the
Claim, including any change in the Contract Sum or Contract Time or both. If there is a surety and there appears to be a possibility of a Contractor's default, the Architect may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.6 in the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

(Paragraph Deleted)

§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Additions and Deletions Report for
AIA® Document A201™ – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 12:38:16 ET on 11/28/2018.

PAGE 1

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

PAGE 2

EXH-A Project Charter

...

EXH-C.3 Owner Insurance

PAGE 10

§ 1.1.1.1 Notwithstanding the foregoing, it is understood and agreed that the Owner is an intended third-party beneficiary of all contracts between the Contractor and Subcontractors or Suppliers who provide labor and/or materials for the

...

~~§~~ **Work.**

...

§ 1.1.2 The Contract

...

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The ~~Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.~~Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2017.

PAGE 11

§ 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

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the ~~indicated~~ intended results.

...

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. ~~If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable.~~ In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

...

In the interest of brevity the Contract Documents frequently omit modifying words such as ~~"all" and "any"~~ "all" and "any" and articles such as ~~"the" and "an,"~~ "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.~~statement.

...

§ 1.4.2

...

In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

1. The Owner/Contractor Agreement;
2. All Addenda to the Agreement with those of later date having precedence over those of earlier date;
3. The Supplementary Conditions;
4. The General Conditions of the Contract for Construction;
5. Specifications;
6. Drawings, with larger scale drawings having precedence over smaller scale drawings.

...

In the case of inconsistency between Drawings and Specifications or within Contract Documents not clarified by Addenda, the better quality or greater quantity of Work shall be provided in accordance with the Architect's interpretation.

...

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights. The Owner retains rights to the Instruments of Service pursuant to Article 7 of AIA Document B101-2017.

PAGE 12

§ 1.5.3 The Architect shall furnish to the Contractor a version of the Instruments of Service in electronic form for the sole purpose of the construction of the Project for which the Instruments of Service were created.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties ~~will~~ may use AIA Document E203™–2013, Building Information Modeling and Digital Data ~~Exhibit,~~ Exhibit or other form, to establish the protocols for the development, use, transmission, and exchange of digital data.

...

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol ~~Form,~~ Form or other form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

...

§ 2.1.2 The Owner shall furnish to the Contractor, within ~~fifteen~~ thirty (30) 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.

PAGE 13

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section ~~3.7.1,~~ 3.7.1 and other obligations, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

...

§ 2.3.4 ~~The~~ If requested by the Contractor and reasonably required for the Project, the Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The Contractor ~~shall be entitled to rely on the accuracy of information furnished by the Owner but~~ shall exercise proper precautions relating to the safe performance of the Work.

...

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services. The Contractor, not the Owner, is responsible for the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the Contractor.

PAGE 14

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ~~ten-day~~ three-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services and expenses made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the ~~Owner.~~ Owner within ten (10) days following written request for payment delivered by the Owner to the Contractor. If the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

...

§ 3.1.2

...

The Contractor shall hire a professional utilities locator to investigate and verify all private utility locations prior to excavation and cutting into of existing Work. The Contractor is responsible for locating, terminating, and reinstallation of all private utilities. Private site utilities may not be in the Drawings and Project Manual and as such, verification of private utilities is the sole responsibility of the Contractor. Costs associated with moving and repairing of unknown and undocumented utilities will be by appropriate Change Order. The Contractor shall comply with Gopher State One Call, or other public utility service locator to locate all public utilities prior to any work on site. This shall not relieve Contractor from obligations under 3.2.2.1.

...

§ 3.2.1 ~~Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.~~The Contractor

...

~~§ 3.2.2~~ ~~Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the~~ shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to ~~Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made~~ Subparagraph 2.2.3 and shall immediately report to the Architect errors, inconsistencies, or omissions discovered. The Contractor shall not be liable to the Owner or Architect for damage resulting from errors, inconsistencies, or omissions in the Contract Document unless the Contractor recognized such error, inconsistency, or omission and knowingly failed to report it to the Architect. If the Contractor performs any construction activity knowing or believing it involves a recognized error, inconsistency, or omission in the Contract Documents without such notice to the Architect, the Contractor shall assume full responsibility for such performance and shall bear the attributable costs for correction and shall bear responsibility for any additional costs, delays, and damages resulting from such failure to immediately report any such errors, inconsistencies, or omissions which the Contractor may discover.

...

~~known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.~~**§ 3.2.1.1** The Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the Contractor with the contract documents before commencing activities. Errors, inconsistencies, or omissions discovered shall be reported to the Architect immediately in writing.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.**3.2.1.2** The Contractor shall carefully study and compare the Contract Documents with existing conditions at the job site and shall immediately report in writing to the Architect any error, inconsistency, or omission which the Contractor may

PAGE 15

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the discover or any materials, systems, procedures, or methods of construction, either shown on the Drawings or specified, which the Contractor has reason to believe are incorrect, inadequate, obsolete, unsuitable for the purpose intended or which the Contractor has reason to believe would constitute or result in a violation of the Contractor's warranty under Paragraph 3.5 or applicable law. The Contractor shall not proceed with any work in such areas until written instructions are received from the Architect.

...

Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor **§ 3.2.2** The Contractor shall perform the Work in accordance with the Contract Documents and submittals accepted pursuant to Paragraph 3.12.

...

shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.**§ 3.2.3** The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect for the Architect to evaluate and respond to the Contractor's requests for interpretation or information where such information was available to the Contractor from a careful study and comparison of the Contract Documents, Field Conditions, Owner Provided Information, Contractor Prepared Coordination Drawings, or prior Project Correspondence or Documentation.

...

§ 3.3.4 The Contractor shall at all times staff the Project adequately to allow the Project to be managed and completed in a timely and professional manner. The Contractor shall have competent supervision on the job during work hours and readily available at all times upon call.

...

§ 3.3.5 The Contractor shall at all times make reasonable provisions to protect any work performed by any separate contractors, adjacent property, and the existing building (if any) from damage due to the Work or due to the weather.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.3.6 The Owner or its approved representative (heretofore referred to as Owner's Representative) shall have access to the Work site and all Work. No supervision or inspection by the Owner or the Owner's Representative, nor the authority to act nor any other actions taken by the Owner's Representative shall relieve the Contractor of any of its obligations under the Contract Documents or give rise to any duty on the part of the Owner.

...

§ 3.3.7 The Contractor shall take appropriate precautions to ensure that the Work does not materially disrupt any ongoing operation by the Owner at the Project (if any) except to the extent any such disruption is a necessary result of performing a particular portion of the Work, in which case the contractor shall provide the Owner with reasonable advanced written notice and shall take all commercially reasonable measures to minimize the impact on the Owner and the Owner's

...

~~§~~ **operations.**

...

§ 3.4 Labor and Materials

PAGE 16

§ 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 Contract Documents require Work to be performed after regular working hours or should the Contractor elect to perform Work after regular working hours, the additional cost of such Work shall be borne by the contractor.

...

§ 3.4.4 The Contractor shall be responsible for all additional costs incurred to incorporate into the project substitute materials, products, or equipment approved by Owner during the bidding period.

...

§ 3.4.5 The Contractor shall exercise reasonable efforts, consistent with the provisions of the Contract Documents to obtain the maximum available cash discounts on all materials, provided that, in doing so, the Contractor shall not accept or use materials for incorporation into the Project which are of a type or quality not reasonably contemplated under the terms of the Contract Documents.

...

§ 3.4.6 After award of the Contract, a request for substitution of a material, product, or piece of equipment at no change in the Contract Sum will not be approved by the Owner or the Architect, unless the specified item is no longer manufactured, the specified item is unavailable as a result of an act of government such as a declaration of a national emergency, or delivery of the specified items is substantially delayed as a result of labor disputes affecting the manufacturer, unusual delay in transportation, or any other cause beyond control of the Contractor or a Subcontractor or material supplier which the Architect determines justified the delay. Requests will not be approved where the delay in delivery results from failure to promptly place subcontracts and material orders. Requests for substitution shall be submitted in writing to the Architect and shall clearly describe the proposed substitution, state

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

the reason for the unavailability of a specified item and be accompanied by such additional data and information as may be necessary in the discretion of the Owner and the Architect to establish the acceptability of the proposed substitute.

...

§ 3.4.6 The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect to evaluate the Contractor's proposed Substitutions and for changes made to the Contract Documents as a result of Owner's acceptance of such

...

~~§~~ Substitutions.

...

§ 3.5 Warranty

...

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4. The Contractor shall arrange for the Owner to have the benefit of and right to enforce all warranties by Subcontractors, Sub-subcontractors, suppliers, and manufacturers.

...

§ 3.5.3 Manufacturers' warranties and warranties by others shall not relieve the Contractor of any of its

PAGE 17

~~§~~ responsibilities.

...

§ 3.6 Taxes

...

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded. The Contractor shall be responsible for the Sewer Access (SAC) and Water Access (WAC) fees for the Project. The Contractor shall pay the SAC/WAC costs to the authorities having jurisdiction from the Allowance in the Base Bid for such charges as defined in the Construction Documents.

...

§ 3.7.3 If the Contractor performs Work knowing or believing it to be contrary to applicable laws, statutes, ordinances, building codes, rules and regulations, or lawful orders of public authorities, without such notice to the Architect and Owner, the Contractor shall assume ~~appropriate~~ full responsibility for such Work and shall bear the ~~costs attributable to correction.~~attributable costs, delays, and damages resulting from such failure to immediately notify the Architect and Owner of any such violation.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that 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, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than ~~14~~ ten (10) days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that 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 that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect 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 Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

PAGE 18

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the ~~Work.~~ Work including that performed by all Subcontractors. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications including and not limited to communications regarding design changes, alterations, substitutions, clarifications, cost changes, etc. shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. All communications given to the superintendent shall be confirmed in writing to the Contractor upon written request of either or both the superintendent and Contractor.

...

§ 3.9.3 The Contractor shall not employ a proposed superintendent or any other management personnel to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

...

§ 3.9.4 If requested by the Owner, the Contractor shall preplace the Superintendent at no additional cost to the Owner. No other change in this position shall be made without notice to and written consent of the

...

§ Owner.

...

§ 3.10 Contractor's Construction and Submittal Schedules

...

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, critical path schedule milestones, major construction milestones including and not limited to Civil, Demolition, Structural, Mechanical, Electrical, and Plumbing, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

...

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to and accepted by the Owner and Architect.

PAGE 19

The Contractor shall make available, at the Project site, one record copy of the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and ~~marked currently~~ updated daily to indicate field changes and selections made during construction, ~~and the~~ and in addition accepted and approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and ~~Owner,~~ Owner as required to complete routine inspections by Architect and Owner prior to any approval of payments to the Contractor, and delivered to the Architect for submittal to the Owner upon completion of the ~~Work as a record~~ Work. The Architect and Contractor must verify that all "as-built" Drawings, Specifications, Addenda, Change Orders, and other Modifications are up-to-date before Contractor's Application for Payment is acceptable and before the Owner incurs any duty to pay Contractor in accordance with the Contract. The record documents shall be a separate set of documents labeled "Record Documents" and used only for record purposes and kept clean and undamaged.

...

§ 3.11.1 No review or receipt of ~~the Work as constructed.~~such records by the Architect or Owner shall be considered a waiver of any deviation from the Contract Documents or approved shop drawings, or any way relieve the Contractor from its responsibility to perform the Work in accordance with 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~~ accepted by the Architect.

PAGE 20

§ 3.12.8 The Work shall be in accordance with ~~approved~~ accepted submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's ~~approval~~ acceptance of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written ~~approval~~ acceptance 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~~ acceptance 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 notice, the Architect's ~~approval~~ acceptance of a resubmission shall not apply to such revisions.

...

§ 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 construction by the Owner or a Separate Contractor

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall hire a professional utilities locator to verify locations of all public and private utilities prior to initiating any cutting work. the Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

...

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

PAGE 21

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, 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 or resulting from performance of the Work, 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), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity ~~that~~ which would otherwise exist as to a party or person described in this Section 3.18. The Contractor, furthermore, agrees to obtain, maintain, and pay for such general liability coverage and endorsements (including product and completed operations coverage) as will ensure the provisions of this paragraph. The Contractor agrees to reimburse the Owner, its agents and employees for all costs and disbursements, including attorneys' fees, paid or incurred to enforce the provisions of this paragraph.

...

§ 3.18.3 To the fullest extent permitted by law and without limiting any other indemnification obligations of the Contractor, except to the extent caused by the uncured failure of the Owner to make payment when required by the Contract Documents, the Contractor shall indemnify and defend the Owner, its officers, directors, assigns, lenders, agents, and employees from any liens, charges (including attorney's fees) or encumbrances (including but not limited to mechanic's and materialmen's liens or bond claims) arising out of or in connection with the performance of the Work by Contractor, its Subcontractors, or its material suppliers. Upon request of the Owner, the Contractor shall within 60 days remove any liens filed against the Owner or its property. If the Contractor fails to do so, the Owner is authorized by the Contractor to remove or satisfy any such liens, and the Contractor shall pay to the Owner all costs and damages incurred by the Owner to do so, including attorneys'

...

~~**ARTICLE**~~ **~~fees.~~**

...

ARTICLE 4 ARCHITECT

PAGE 22

§ 4.1.3 In the event the employment of the Architect is terminated, the Owner may employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

§ 4.1.4 Disputes arising under Subparagraphs 4.1.2 and 4.1.3 shall be subject to action at law as provided in Paragraph 15.3.

...

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be ~~an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have~~ the Owner's consultant (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the correction period described in Paragraph 12.2. The Architect will advise and consult with the Owner. The Architect will have the authority to act on behalf of the Owner only to the extent provided in the Contract ~~Documents.~~Documents, unless otherwise modified in writing in accordance with other provisions of the Contract.

...

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality ~~of the portion of the Work completed,~~ of the Work completed, to endeavor to guard the Owner against defects and deficiencies in the Work, and to determine in general if the Work ~~observed~~ 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. On the basis of on-site observations as an architect, the Architect will keep the Owner informed of progress of the Work and will endeavor to guard the Owner against defects and deficiencies in the Work.

...

§ 4.2.2.2 The Contractor shall reimburse the Owner for compensation paid to the Architect for additional site visits made necessary by the fault, neglect, or request of the Contractor.

...

~~Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the~~ **§ 4.2.3** The Architect will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the ~~Contractor's rights and responsibilities under the Contract Documents.~~

...

~~**§ 4.2.3** On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.~~ Contractor's responsibility as provided in Paragraph 3.3. The Architect will not be responsible for the Contractor's failure to ~~perform~~ carry out 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.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the ~~Owner.~~ Owner unless otherwise provided. The Contract Documents may specify other communication protocols. The Owner may require the Architect and the Contractor to comply with Owner requirements in regards to public communications and site signage.

...

§ 4.2.5 Based on the Architect's ~~evaluations~~ observations and valuations of the Work and of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

...

§ 4.2.6 The Architect ~~has~~ will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or ~~advisable,~~ advisable for implementation of the intent of the Contract Documents, the Architect will have authority to require additional inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

PAGE 23

§ 4.2.7 The Architect will and the Owner may 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 in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness~~ or Owner's action will be taken 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 by the Architect or the Owner 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 or the Owner'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 or the Owner's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's ~~approval~~ or Owner's acceptance of a specific item shall not indicate ~~approval~~ acceptance of an assembly of which the item is a component.

...

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

...

§ 4.2.12 Interpretations and decisions 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 interpretations

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions so rendered in good faith.

PAGE 24

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect in writing of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection. The Contractor shall not employ any subcontractor or use any material to which the Architect or Owner may object as incompetent or unfit, or where there is reason to assume the Work will not be accomplished in accordance with the Contract Documents. Prior to the employment of the named subcontractors, the Contractor must obtain the Owner's approval of such subcontracts for the designated portion of the Work.

...

§ 5.2.2.1 The right to reject any Subcontractor or Sub-subcontractor will be exercised by the Owner or the Architect when in the reasonable opinion of either of them the proposed Subcontractor or Sub-subcontractor:

1. cannot provide (or proposes unacceptable deviations in) materials, equipment, systems, methods, facilities, or other work as required by the Contract Documents;
2. cannot provide labor and skill necessary to accomplish the part of the Work for which it is proposed, including but not limited to quality of craft;
3. lacks experience appropriate to the proper execution and completion for that part of the Work for which the Subcontractor or Sub-subcontractor is proposed;
4. has previously failed to perform satisfactorily with respect to other projects, including cooperation and necessary services after project completion;
5. cannot satisfactorily perform the part of the Work for which the Subcontractor or Sub-subcontractor is proposed within the time schedule, due to financial status, size of organization, existing workload or other considerations;
6. cannot demonstrate ability, through examples of representative work, to perform the part of the Work for which the Subcontractor or Sub-subcontractor is being considered; or
7. exhibits other factors bearing on the probability of unsatisfactory performance.

...

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. ~~If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time~~ The Contract Sum shall be increased or decreased by the difference, ~~if any,~~ in cost occasioned by such change, and an appropriate Change Order shall be issued~~before commencement of the substitute Subcontractor's Work.~~ . However, no increase in the Contract Sum ~~or Contract Time~~ shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required. Notwithstanding the foregoing, the Contractor shall have a continuing duty to the Owner and Architect to find and propose such persons or entities as shall not result in material increase in the Contract Sum, or a material decrease in the quality of Work contemplated under the Contract Documents.

...

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution. Any proposed substitution or a subcontractor, person, or entity for one previously selected shall be made in a separate writing to the Owner and Architect. No substitution shall be deemed approved/accepted without written confirmation from the Owner and Architect. Neither acceptance of, nor objection to a Subcontractor or Sub-subcontractor, material supplier, or other person or organization by the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Owner and the Architect shall limit the responsibility of the Contractor to furnish materials, products, equipment, and services in conformance with the requirements of the Contract Documents.

PAGE 25

By appropriate 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 that the Contractor, by these Contract 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. Where appropriate, 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 that may be at variance with the Contract Documents. Subcontractors ~~will~~ shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

...

§ 5.3.2 The Contractor, not the Owner, is responsible for the performance of, the actions of, the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the

...

§ Contractor.

...

§ 5.4 Contingent Assignment of Subcontracts

PAGE 26

§ 6.1.3 The Owner shall provide for 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 Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised. The Contractor shall schedule, coordinate, and cooperate fully with all other contractors. The Contractor shall take all reasonable steps necessary to assure scheduling, coordination, and cooperation among the contractors.

...

§ 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 notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work 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. The Contractor shall not be responsible

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not ~~apparent.~~reasonably discoverable.

...

§ 6.2.3 ~~The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.~~Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

...

§ 6.2.5 Claims and other disputes and matters in question between the Contractor and a separate contractor shall be subject to the provisions of Article 15 provided the separate contractor has reciprocal obligations.

...

§ 6.2.6 The Owner and each ~~Separate Contractor~~ separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in ~~Section~~ Paragraph 3.14.

...

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,~~ rubbish as described in Paragraph 3.15, the Owner may clean up and ~~the Architect will~~ allocate the cost among those ~~responsible.~~responsible as the Architect determines to be just.

...

§ 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.~~

PAGE 27

§ 7.1.4 The amount of credit to be allowed by the contractor to the Owner for any deletion or change which results in a net decrease in the Contract Sum will be the amount of the actual net cost as confirmed by the Architect after consultation with the Owner. When both additions and credits covering related Work or substitutions are involved in any one change, the allowance for both overhead and profit shall be figured on the basis of the net increase or decrease, if any, with respect to that change.

...

§ 7.1.5 In Paragraph 7.3.6, the allowance for the combined overhead and profit included in the total cost to the Owner shall be based on the following schedule:

1. For the Contractor, for Work performed by the Contractor's own forces, ten percent (10%) of the cost,
2. For the Contractor, for Work performed by the Contractor's Subcontractor, five percent (5%) of the amount due the Subcontractor.
3. For each Subcontractor or Sub-subcontractor involved for Work performed by the Subcontractor's or Sub-subcontractor's own forces, ten percent (10%) of the cost.
4. For each Subcontractor for Work performed by the Subcontractor's Sub-subcontractor, five percent (5%) of the amount due the Subcontractor.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

5. Costs to which overhead and profit is to be applied shall be determined in accordance with Subparagraph 7.3.6.
6. In order to facilitate checking of quotations for extras or credits, all proposals, expect those so minor that their propriety can be seen by inspection, shall be accompanied by a complete itemization of costs, including labor, materials and subcontracts. Labor and materials shall be itemized in the manner prescribed above. Where major cost items are subcontracts, they shall be itemized also. In no case will a change involving over $500 be approved without such itemization.

...

§ 7.2.2 Change Orders shall be prepared on AIA Document G701.

PAGE 28

.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or ~~others;~~others (at rates approved by the Owner);

...

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement 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.~~.

...

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for ~~Payment.~~ Payment up to and not exceeding $25,000. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

...

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in ~~writing.~~ writing and approved by the Owner. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

...

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons or entities for whom the Contractor is responsible.

PAGE 29

§ 8.1.4 The term "day" ~~as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.~~shall mean calendar day of 24 hours beginning at 12:00 midnight. Calendar days as stated in the Contract Documents, shall include all days of a seven (7) day week including Saturdays, Sundays, and holidays. The term "Milestone Date" is, in each instance, the date established in the Contract Documents for the Substantial completion of all or a designated portion of the Work.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract ~~Time.~~Time and shall achieve specific contractual Milestone Dates (if any), Substantial Completion and final Completion within the time stated in the Contract Documents..

...

§ 8.2.4 Contractor understands and agrees that all Work must be performed in an orderly and closely coordinated sequence so that the dates for Substantial Completion, Final Completion, and Milestone Dates (if any) may be met by the Contractor.

...

§ 8.2.5 Timely final Completion of the Project being of critical importance to the Owner, Contractor agrees that they shall substantially complete all Work under the Contract documents within the time established herein and that they shall finally complete the Work in the detail required and in the time required by the Contract Documents.

...

§ 8.2.6 To the extent that the Contract Documents contain or provide for specific contractual Milestone Dates in addition to Final and Substantial Completion dates, such dates shall be adhered to and shall be the last acceptable dates for those milestones and completions, unless modified by the Owner.

...

§ 8.2.7 Notwithstanding anything to the contrary contained in the Contract Documents, in the event that any Contractor fails, or appears likely, in the reasonable opinion of the Owner, to fail to complete a critical portion of their Work on time or to complete any dates for Substantial Completion, Final Completion, or Milestone Dates as evidenced by the latest update of the CPM Schedule Report, the Owner shall have the right to select and require Contractor's performance under any or all of the following operations:

1. Require the Contractor to substantiate their capability to get back on schedule within two (2) days;
2. Require the Contractor, at no additional cost to the Owner, to increase their work force, work overtime and/or extra shifts and do whatever else is required by the Owner until the Contractor gets back on schedule as established by the CPM Schedule Report (including any updates thereto);
3. Withhold progress payments or portions thereof until such time as the contractor returns to schedule, but only related to Substantial Completion or Final Completion;
4. Contact or visit the factory, plant, or distribution center whose production or delivery schedule may be critical to the scheduled completion of a portion of the contract work and expedite such production delivery at Contractor's expense; or
5. Require the Contractor to complete, in detail, and submit weekly a Short Interval Schedule (SIS) showing: 1) planning for the next two weeks; 2) work completed for the previous week; 3) sufficient detail to evaluate daily milestone (if any) and manpower/equipment loading, and shall identify/tie into the monthly updated CPM Schedule Report.

...

Any costs incurred by the Contractor in fulfilling the option(s) selected by the Owner shall be at the Contractor's expense.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 8.3.1 If the Contractor is delayed at any time in the ~~commencement or~~ progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; ~~(4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5)~~ or (4) by other causes that the Contractor asserts, and the Architect determines, justify delay, then subject to the conditions hereinafter set forth, the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine. Requests for extensions of time for causes enumerated above will be considered by the Architect only under the following conditions:

1. Only those conditions enumerated above over which the Contractor has no control will be considered. The burden of proof to substantiate the claim for an extension shall rest with the Contractor, including evidence that the cause was beyond their control. It shall be deemed the Contractor has control over the supply of labor, materials, equipment, methods, techniques, and over their subcontractors and suppliers.
2. In the event of Changes in the Work, any consideration for a time extension will be made only at the time of authorizing the changes, and no later than when the Change Order is prepared, and only if the Change Order significantly affects the time and progress of the entire Work. For changes which do not affect the entire Work, time extension may be granted only for the area, phase, unit, or element affected by the change, if due to a valid reason for a time extension;
3. Any unusual delay in deliveries will not be considered unless it is solely due to transportation. An extension of time will not be granted for delays in deliveries where said delivery was not properly scheduled or when orders were not promptly and properly placed;
4. With respect to a claim for an extension of time as a result of climatic conditions, the Contractor shall recognize the location of the site and the existence, as normal, or variations from "average" conditions. Foul weather in itself will not be a valid reason for a time extension. Requests for time extensions because of delay resulting from weather extremes will not be considered unless a substantial variation from usual weather conditions occurs for a significant period of time, during phases of the Work when operation necessarily were suspended to a significant degree when they would otherwise have been in progress. In considering the time extension, the weather conditions both before and after the period in which the delay is claimed will be evaluated with credit given for unseasonably favorable weather;
5. Delays resulting from a labor dispute will not result in a time extension of a longer period than the dispute, plus a reasonable time for mobilization if justified and necessary as approved by the Architect, and may be less depending on the impact of the dispute, including what operations were suspended or curtailed;
6. A delay in the overall Project progress actually occurred and clearly disrupted the total Project programs as a result of one of the valid causes for time extension. An extension of time for parts, phases, or stages may be granted where a valid delay indicated such partial time extension is justified;
7. No time extension will be granted as a result of improper scheduling or for failure to have shop drawings or samples submitted in ample time for review under a reasonable and agreed upon schedule; or
8. Delays by subcontractors or suppliers will not be considered justification for a time extension, expect for the same valid reasons and conditions enumerated under Subparagraph 8.3.1.

...

§ 8.3.4 The Contractor shall be responsible for all Owner incurred costs associated with a Contractor related to delay in completion of the Project. These costs may include, but are not limited to, Owner staff overtime, Consultant additional fees, additional testing, and/or additional rental or storage costs. A Change Order or Construction Change Directive will be issued to cover these costs. If a Change Order is not agreed to by the Contractor, the Owner, after presenting documentation to the Contractor, may deduct these amounts without a Change Order from the Contract Sum. This is subject to the right of either party to disagree and assert a claim in accordance with Article

...

~~ARTICLE~~ 15.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

ARTICLE 9 PAYMENTS AND COMPLETION

PAGE 31

~~Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be~~ Before the first Application for Payment, the Contractor shall submit to the Architect a schedule of values allocated to various portions of the Work, prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. ~~This~~ The schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment. The Contractor, after receipt of Notice to Proceed, shall meet with the Owner and the Architect for the purpose of reviewing the Project CPM Schedule and the Contract Schedule of Values. The Contractor shall develop a CPM Schedule for completing their portion of the Work, in conjunction with all other Contractors or Bid Packages, at the Pre-Construction Meeting(s). The Schedule of Values is to be broken down into specification sections and by labor and materials.

...

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment ~~prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required,~~ for operations comp0leted in accordance with the Schedule of Values. Such application shall be notarized and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and ~~suppliers, and shall reflect~~ material suppliers, and reflecting retainage if provided for elsewhere in the Contract Documents. The form of Application for Payment shall be a notarized AIA Document G702, Application and Certification for Payment, supported by AIA Document G703, Continuation Sheet.

...

§ 9.3.1.2 ~~Applications for Payment~~ Such applications shall not include requests for payment ~~for portions of the Work for which~~ of amounts the Contractor does not intend to pay a Subcontractor or supplier because of a dispute or other reason.

...

§ 9.3.1.2 Following certification of the Application for Payment by the Architect, the Owner shall pay 95% of its value, retaining 5% until Final Completion.

...

~~or supplier, unless such Work has been performed by others whom the Contractor intends to pay.~~**§ 9.3.1.3** Contractor shall provide lien waivers for itself for the current payment application and for Subcontractors, Sub-subcontractors, and suppliers for the pervious payment application before the Contractor has earned or has the right to receive payment for the specific items of work or materials covered by the lien waivers. All lien waivers shall be provided in the form required by the Owner. This Paragraph shall not limit other obligations of the Contractor contained elsewhere to provide lien waivers.

PAGE 32

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.3.4 In each Application for Payment, the contractor shall certify as follows: "That there are no known mechanics' or materialmen's liens or stop notice claims outstanding by the application or any of its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers, or laborers at the date of this application, that all due and payable bills with respect to the Work have been paid or are included in the amount requested in current application, and that, except for such bills, not paid by Owner, but so included, there is no known basis for the filing of any mechanics' or materialmen's liens or stop notice claims on the Work, and that waivers from Contractor, its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers and laborers have been obtained in such form as to constitute an effective waiver of liens or stop notice claims, under the laws of the State of Minnesota to the extent of payments made by Owner to Contractor."

...

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's observations at the site, evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. 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 completion, and to specific qualifications expressed by the Architect. 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 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.

PAGE 33

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment within thirty (30) days of receipt by Owner of Certificate of Payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

...

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the 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. Per Minnesota Statute 471.425, within ten (10) days of Contractor's receipt of payment from Owner, the Contractor must pay any Subcontractor for any undisputed services provided by the Subcontractor. The Contractor shall pay interest of one and one-half percent (1-1/2%) per month, or any part of a month, to the Subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10.00. For an unpaid balance of less than $100, the Contractor shall pay the actual interest penalty due to the Subcontractor. Contractor is advised that by reason of Minnesota Statute 471.425, Subd. 4a, if a Subcontractor prevails in a civil action to collect interest penalties from a prime contractor, the Subcontractor must be awarded its costs and disbursements, including attorney's fees incurred in bringing the action.

...

§ 9.6.5 The Contractor's payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

PAGE 34

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within ~~seven~~ thirty (30) days after the date established in the Contract Documents, the amount certified by the Architect~~or awarded by binding dispute resolution,~~ , then the Contractor may, upon ~~seven~~ ten (10) additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, ~~plus interest as provided for in the Contract Documents.~~which shall be accomplished as provided in Article 7.

...

§ 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.~~use and when the Architect issues a certificate of Substantial Completion.

...

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected~~prior to final payment.~~ . The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not in accordance with the requirements of the Contract documents, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item, upon notification by the Architect. The Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion. When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Document shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

...

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

...

~~Upon such acceptance, and consent of surety if any,~~ **§ 9.8.6** Upon Substantial completion of the Work or designated portion thereof and upon application by the Contractor and certification by the Architect, the Owner shall make payment, reflecting adjustment in retainage, if any, for such Work or portion thereof as provided in the Contract Documents.

PAGE 35

§ 9.8.6.1 The retainage is for the performance of the Contractor. Nothing in this Agreement connects the retainage to the Subcontractors. Upon satisfactory completion of the Project, and full payment by the Owner to the Contractor for the Work of any Subcontractor, the Subcontractor is to be paid in full. The Owner, at its sole discretion, may continue or make adjustments of the full retainage for the performance of the Contractor.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~shall make payment of retainage applying to the Work or designated portion thereof. Such payment~~ **§ 9.8.6.2** Prior to requesting a reduction of retainage, the Contractor shall obtain in writing an agreement from the Surety agreeing to such a reduction. In reducing retainage, the Contractor shall use the retainage to make full payment to Subcontractors who have completed 100% of their work. The Contractor shall provide to the Owner documentation of payment to Subcontractors and an agreement for retainage deduction from the Surety of the Subcontractor.

...

~~shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.~~**§ 9.8.7** The Architect shall make inspection(s) for Substantial Completion and Final Completion in accordance with the AIA Document B101 Owner Architect Agreement. If additional inspections are required due to the Contractor's failure to complete previously listed corrective or uncompleted work, the Architect's expense for conducting such re-inspections and related time in processing, reviewing, and revision of requirements shall be charged to the Contractor and such payment shall be accomplished by a deductive Change Order to the Contractor.

...

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds 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 observations, on-site visits and inspections, the Work has been completed in accordance with 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.

PAGE 36

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to 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, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in ~~effect,~~ effect and will not be canceled or allowed to expire until at least sixty (60) days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, ~~and (6) if required by the Owner,~~ including a summary listing all applicable warranties both standard and extended, itemized by specification section and included at the front of the Operation and Maintenance manuals, and (6) other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance 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 the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

...

§ 9.11 DAMAGES FOR DELAY

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

§ 9.11.1 The Contractor shall be responsible for damages incurred by the Owner and any other separate contractors for delay resulting from the Contractor's failure to complete the Work within the contract Time or resulting from the progress of the Work failing to substantially conform to the Project Construction Schedule.

...

§ 9.11.2 If the Contractor is delayed by the Owner, Architect, or any agent or employee of any of the foregoing, the Contractor's sole and exclusive remedy for the delay shall be the right to a time extension for completion of the Contract and not damages. This paragraph does not preclude Contractor's recovery of damage for contractor-caused delays under other provisions of the Contract

...

~~ARTICLE~~ Documents.

...

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

...

§ ~~10.1~~ 10.1.1 Safety Precautions and Programs

...

§ 10.1.2 The Contractor shall comply with all applicable laws and regulations. Notwithstanding any language to the contrary, the Owner shall not have any responsibility for job site inspections or safety recommendations. Any inspections or observations by the Owner or the Architect are solely for the benefit of the Owner and shall not create any duties or obligations to anyone

...

~~§~~ else.

...

§ 10.2 Safety of Persons and Property

PAGE 37

If either party suffers injury or ~~damage~~damages to person or property because of an act or omission of the other party, of any of the other party's employees or agents, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding ~~21 days after discovery.~~ ten (10) days after first observance. The notice shall provide sufficient detail to enable the other party to investigate the matter. If a Claim for additional cost or time related to this Claim is to be asserted, it shall be filed as provided in Paragraphs 15.1.4 and 15.1.5.

...

§ 10.3.1 ~~The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not~~

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

~~addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.~~In the event the Contractor encounters on the site material reasonably believed to be asbestos or polychlorinated biphenyl (PCV) which has not been rendered harmless, the Contractor shall immediately stop Work in the area affected and report the condition to the Owner and Architect in writing. The Work in the

...

~~§ 10.3.2~~ ~~Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be 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 the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon~~ affected area shall not thereafter be resumed except by written agreement of the Owner and Contractor if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has not been rendered harmless. The Work in the affected area shall be resumed in the absence of asbestos or polychlorinated biphenyl (PCB), or when it has been rendered harmless, by written agreement of the Owner and Contractor.~~By Change Order, the Contract Time~~

1. Except where otherwise stated in the Contract Documents, no hazardous material work of any nature shall be performed by the Contractor pursuant to this Contract.
2. The term "hazardous materials" includes, but is not limited to, asbestos, toxic chemicals, acids, alkalis, irritants, contaminants, or other pollutants, together with any other waste, material, substance, pollutants, or contaminant, all or a portion of which is or would be designated as hazardous waste or substance under applicable local, state, or federal laws, ordinances, codes, rules, or regulations.

PAGE 38

§ 10.3.2 The Contractor shall ~~be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.~~not be required pursuant to Article 7 to perform without consent any Work relating to asbestos or polychlorinated biphenyl (PCB)

...

§ 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 or resulting from performance of the Work in the affected area if in fact the material ~~or substance presents the risk of bodily injury or death as described in Section 10.3.1~~ is asbestos or polychlorinated biphenyl (PCB) and has 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), ~~except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.~~including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of the Owner, anyone directly or indirectly employed by the Owner, or anyone for whose acts the Owner may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Subparagraph 10.3.3.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 10.3.4 ~~The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.~~If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered on the site by the contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. The Owner, Contractor, and Architect shall then proceed in the same manner described in Subparagraph 10.3.1.

...

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence. Owner shall be responsible for obtaining the services of a licensed laboratory to verify a presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless.

...

§ 10.3.6 Regulations concerning the availability of information and employee training in the use and handling of "hazardous substances" and "harmful physical agents", as set forth in the Employee Right-to-Know Act of 1983, Minnesota Statutes Section 182.65 to 182.676 are incorporated herein by reference as if fully set forth herein.

...

§ 10.3.7 The Contractor shall furnish three Material Safety Data Sheets to the Owner for each material used in the Work that is classified by the Employee Right-to-Know Act of 1983 as a "hazardous substance" or a "harmful physical agent."

...

§ 10.3.8 The Contractor shall label, in generally accepted and/or standardized fashion, all containers on the work site containing "hazardous substances" or as "harmful physical agents." This shall include factory containers and all subsequent containers used in the Work.

...

§ 10.4 The Owner shall not be responsible under Section 10.3 for materials and substances brought to the site by the Contractor unless such materials or substances were required by the Contract Documents.

...

§ 10.5 MISCELLANEOUS GENERAL PROVISIONS

...

§ 10.5.1 In occupied facilities from the time the Work is begun until the Contract is completed, the Contractor shall be responsible for coordinating care and control of their contracted responsibilities with the Owner on the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

construction premises. The Contractor shall maintain all the Contractor's Work areas on the Project site in first class condition during term of operation under this Contract.

PAGE 39

§ 10.5.2 The Contractor shall give full protection to existing adjacent buildings and occupants. The Contractor shall replace or repair, at the Contractor's own expense, all damage to existing buildings, sidewalks, curbs, drives, fences, planters, signage, monuments, lawns, plants, trees, and shrubbery arising as a result of Work performed under the Contract.

...

§ 10.5.3 Utilities encountered, whether shown on Project Drawings or not, shall be protected and maintained in service until moved or abandoned. The Contractor shall exercise care in the excavation around such utilities as may be shown on the Project Drawings or otherwise found, and which are not to be moved, replaced, or abandoned, and shall restore any damaged items or Work to the same conditions (or better) as existed prior to starting Work. Utilities or other service shown to be abandoned shall be maintained in service until facilities are provided, tested, and ready to use. The Contractor shall take all reasonable precautions in working in the area of excavation to avoid personal injury or property damage resulting from interception or interruption of electrical, telephone, sewer, water, gas, or other services, and shall also cause all Subcontractors, Sub-subcontractors material suppliers, laborers, and other persons on the construction premises to take such precautions. The location and nature of such concealed or buried services is not guaranteed or completely indicated by Owner or Architect.

...

§ 10.5.4 The Contractor shall at all times take reasonable and adequate precautions to protect the Work from damage by the elements, including flooding, rainstorms, windstorms, and any other elements or natural events, etc., and shall not expose the Work of any other contractor to such damages. Where the Contractor, any Subcontractor, or any Sub-subcontractor prepares or erects any material during any season of the year when freezing weather may be anticipated, the Contractor shall employ (and shall cause such Subcontractor or Sub-subcontractor to employ) such methods as may be necessary to render such Work equal in every respect to similar Work done under favorable conditions and the Contractor shall exercise (and shall cause any such Subcontractor or Sub-subcontractor to exercise) reasonable care and diligence to prevent its damage or deterioration. The Contractor shall be responsible for maintaining the building an a dry condition until acceptance. The Contractor shall be responsible for any damage from water, as well as for damage, collapse, or failure of any part of the building caused by excess water undermining or creating pressures on the structures.

...

§ 10.5.5 The Contractor shall not sue any internal combustion machinery that causes noxious, harmful, or toxic fumes inside an enclosed building. When use of internal combustion machinery is unavoidable inside enclosed buildings, the Contractor shall obtain written approval from the Owner prior to use of the machinery and shall provide full ventilation to the outside of the enclosed building for the exhaust of the internal combustion machinery. The Contractor shall locate internal combustion machinery outside an enclosed building so that the exhaust fumes will not enter the building through vent ducts, doors, windows, or other openings in the building.

...

§ 10.5.6 If, without negligence on the part of the Contractor, the Contractor is held liable ~~by a government agency~~ for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

the Contract Documents, the Owner shall ~~reimburse~~ indemnify the Contractor for all ~~cost and expense thereby incurred.~~ reasonable costs and expenses thereby incurred.

...

§ ~~10.4 Emergencies~~ 10.6 EMERGENCIES

...

In an emergency affecting safety of persons or property, the Contractor shall ~~act, at the Contractor's discretion,~~ act 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 Article 15 and Article 7.

...

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the ~~Agreement~~Agreement, in EXH-C.3 Owner Insurance, or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is ~~located.~~ located and which carry a Best's rating of A- or higher or are otherwise acceptable to the Owner. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

PAGE 40

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished. The Contractor shall furnish Certificates of Insurance acceptable to the Owner which shall specifically set forth evidence of all coverage required by Article 11 and EXH-C.3 Owner Insurance and shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance.

...

The Contractor shall not allow insurance required by this Agreement to lapse, be canceled, reduced in limits or coverage, non-renewed, or materially changed or have restrictive modifications added during the life of this Agreement, including the periods of required coverage. The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

...

If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, all additional certificates evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

...

§ 11.1.3.1 Acceptable insurance certificates are AIA Document G705, CICC of Minnesota Form 701, and/or ACORD form of the American Insurance Institute.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Failure of the Owner to collect certificates does not void the requirements to obtain insurance.

...

The acceptance of any certificate of insurance by the Owner shall not relieve or decrease the liability of the Contractor hereunder. It is to be understood the Owner and Architect do not in any way represent that the insurance specified in these articles are sufficient or adequate to protect the Contractor's interest or liabilities, but are merely minimum requirements.

...

The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

...

§ 11.1.4 In the event the Contractor fails to procure or maintain any insurance coverage required under this Agreement, the Owner may purchase such coverage and deduct the cost thereof from any monies due to the Contractor, or terminate this Agreement under Paragraph 14.2. The Contractor shall be liable to the Owner for providing all coverage, defense, and payments that would have been provided by any insurance that the Contractor failed to procure and maintain as required by the Contract Documents.

...

§ 11.1.5 Compliance by the Contractor with the foregoing insurance requirements shall not relieve it from liability for amounts in excess of the limits of insurance.

...

§ 11.1.6 The Contractor and any of its Subcontractors, Sub-subcontractors, agents and employees, and any separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees shall waive any of their subrogation rights on their Workers Compensation Policy in favor of the Owner and Architect. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogration 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.

PAGE 41

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner may self-insure and maintain the Owner's usual liability insurance. Optionally, the Owner may purchase and maintain other insurance for self-protection against claims which may arise from operations under the Contract. The Contractor shall not be responsible for purchasing and maintaining this optional Owner's liability insurance unless specifically required by the Contract Documents.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~**§ 11.3.2** If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.~~

PAGE 42

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall ~~deposit the insurance proceeds in a separate account and~~ make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

...

§ 11.6.1 Contractor shall furnish a Performance Bond and a Payment Bond to the Owner in the amount of one hundred percent (100%) of the Contract Sum and issued by a Surety Company authorized to do business in the State of Minnesota, rated "A" or better, and approved by the Owner. The Performance Bond shall be in accordance with Minnesota Statutory requirements, and shall be in the form included in the Project Manual. The Bonds shall allow for any additions or deductions to the Contract Sum.

...

§ 11.6.2 In order to be acceptable as a surety, Contractor's bonding company bust hold a "Certificate of Authority" acceptable to the U.S. Treasury Department and be listed in the Department's current publication of "Bond Qualifiers" with underwriting limitations not less than ten percent (10%) above the Contract Sum.

...

§ 11.6.3 The surety of the Bonds shall be by a corporate surety company authorized to do business in the state in which Work is being performed under this Contract and acceptable to the Owner. The conditions of the bonds shall meet requirements of the statutes of the state where Work is being performed and all other applicable provisions of state law.

...

§ 11.6.4 The Contractor shall furnish two (2) originals of the Bonds to the Architect within ten (10) days after notification of award and before execution of the Contract. Failure to do so shall constitute a violation of terms of the proposal and provide grounds for forfeiture of bid security.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. ~~Costs~~ The Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary ~~thereby, shall be at the Contractor's expense.~~thereby.

...

§ 12.2.2.1 ~~In addition to the Contractor's obligations under Section 3.5, if,~~ 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 any 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~~promptly(and any other property damaged or removed in effecting the correction) after receipt of notice from the Owner and/or Architect to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner and/or Architect shall give such notice promptly after discovery of the condition. ~~During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. 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 2.5.~~This period of

...

§ 12.2.2.2 ~~The one-year period for correction of Work~~ one year shall be extended with respect to portions of Work first performed after Substantial ~~Completion~~ completion by the period of time between Substantial ~~Completion and the actual completion of that portion of the Work.~~completion and the actual performance of the Work. This obligation under this Subparagraph 12.2.2.1 shall survive acceptance of the Work under the contract and termination of the Contract. The Owner and/or Architect shall give such notice promptly after discovery of the

...

§ 12.2.2.3 ~~The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.~~ condition. The expiration of the above one year or any other specified time period, or any other period prescribed by the law, shall not relieve the Contractor of the obligation form the expense to correct any latent defect in the work or deficiencies which are not readily ascertained, including but not limited to, defective materials and quality of work performed, defects attributable to material substitutions for special materials, substandard performance or otherwise not in compliance with the Contract Documents. Such latent defects or deficiencies shall be corrected as provided in this Paragraph 12.2. Following the correction or replacement of any of the Work, as above specified, the Contractor shall correct any defects or deficiencies in the corrected or replaced materials and workmanship which is found within one year after the date of correction or replacement.

...

§ 12.2.4 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 2.4. If the Contractor does not proceed with correction of such nonconforming Work within a reasonable time fixed by written notice from the Architect, the Owner may correct or remove it and store the salvageable materials or equipment all at the Contractor's expense. If the Contractor does not pay costs of such removal and storage within ten (10) days after written notice, the Owner may upon ten (10) additional days' written notice sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

deducting costs and damages that should have been borne by the Contractor, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.

...

§ 12.2.5 The Contractor shall bear the cost of correcting destroyed or damaged ~~construction of the Owner or Separate Contractors,~~ construction, whether completed or partially completed, ~~caused by the Contractor's~~ of the Owner or separate contractors caused by the Contractor's correction or removal of Work ~~that~~ which is not in accordance with the requirements of the Contract Documents.

...

§ ~~12.2.5~~ 12.2.6 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the ~~Contract Documents. Establishment of the one-year period for correction of Work as described in Section~~ contract documents. Establishment of the time period of one year as described in Subparagraph 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has 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 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~~ Contractor's liability with respect to the ~~Contractor's~~ Contractor's obligations other than specifically to correct the Work.

PAGE 44

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. ~~Unless otherwise provided, the Contractor~~ The Owner 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.~~ authority. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may ~~be present for~~ observe such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

...

§ 13.4.2 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 13.4.1, the Architect will, upon written 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~~ a minimum of two (2) working days' notice to 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 13.4.3, shall be at the Owner's expense.~~observe procedures. The Owner shall bear such costs, except as provided in Subparagraph 13.4.3.

PAGE 45

§ 13.5 ~~Interest~~NON-DISCRIMINATION

...

~~Payments due and unpaid under the Contract Documents shall bear interest~~ **§ 13.5.1** All contracts between the Owner and companies providing goods and services under the Contract Documents (including the Architect and Contractor) shall contain the following equal opportunity and civil right clause:

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

"During the performance of this Agreement, the provider agrees to the following: No contractor, material supplier, vendor, or other person shall on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from ~~the date payment~~ full employment rights in, participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, service, or activity under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964."

...

Upon request, the provider shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The provider shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

...

The provider acknowledges that the violation of the above-stated paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

...

~~due at~~ This Agreement may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under this Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

...

~~the rate the parties agree upon~~ **§ 13.5.2** During the completion of the work and all other services required by the Contract Documents, the Architect and Contractor agree that no contractor, material supplier, vendor, or other person shall, on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from full employment rights in participation in, be denied the benefits of, or be otherwise subjected to discrimination under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964. Upon request, the Architect and Contractor shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The Architect and Contractor shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

...

Architect and Contractor acknowledge that the violation of the above-states paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

...

The Contract Documents may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under the Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

PAGE 46

~~in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.~~ **§ 13.6** No action or failure to act by the Owner shall constitute a waiver of a right or duty afforded the Owner under the Contract Documents, nor shall such action or failure to act constitute approval of or acquiescence of the Owner in a breach of the Contract Documents, except as may be specifically agreed in writing. None of the approval of any Application for Payment, the making of any payment, the giving of any approval or consent, the use or occupancy of the Work, or any part thereof, the making of final payment, or any other action or inaction on the part of the Owner or Architect shall constitute a waiver of claims by or rights of the Owner or an acceptance of any Work that is not in accordance with the Contract Documents. The Contractor shall not be relieved from its obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the representations of the Owner or Architect, or by inspections, tests, or approvals required or performed by the Owner or Architect or anyone else.

PAGE 47

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases or decreases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include reasonable profit. No adjustment shall be made to the extent

...

~~**§ 14.4.3** In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts; and the termination fee, if any, set forth in the Agreement.~~

PAGE 48

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within ~~21~~ ten (10) days after occurrence of the event giving rise to such Claim or within ~~21~~ ten (10) days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Any additional Claim made after and relating to the initial Claim has been implemented by Change Order will not be considered unless submitted in a timely manner.

...

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by written notice to the other party. In such event, no decision by the Initial Decision Maker is required.

...

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. Subject to paragraph 15.1.5, no such continuing performance by the Contractor, nor payment by the Owner shall be deemed a waiver of, or to otherwise impair any such Claim.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 15.1.6.1 If the Contractor wishes to make a Claim for ~~an~~any increase in the Contract Time, notice as provided in Section 15.1.3 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.

...

~~§ 15.1.7 Waiver of Claims for Consequential Damages~~15.2 Initial Decision

...

~~The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes~~**§ 15.2.1** Claims, including those alleging an error or omission by the Architect, shall be referred initially to

...

~~.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~~the Architect for action. A decision by the Architect, as provided by Subparagraph 15.2.2, shall be required as a condition precedent to action at law or litigation of

...

~~.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, except anticipated profit arising directly from the Work.~~a Claim between the Contractor and Owner as to all such matters arising prior to the

...

~~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 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.~~date final payment is due, regardless if (1) whether such matters relate to execution and progress of the Work or (2) the extent to which the Work has been completed. The decision by the Architect in response to a Claim shall not be a condition precedent to action at law or litigation in the event (1) the position of

...

~~§ 15.2 Initial Decision~~

...

~~§ 15.2.1~~ ~~Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim.~~ Architect is vacant, (2) the Architect has not received evidence or has failed to render a decision within agreed time limits, (3) the Architect has failed to take action required under Subparagraph 15.2.2 within the ten (10) days after the Claim is made, (4) ten (10) days, which decision shall be final subject to action at law as provided in paragraph 15.3. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

PAGE 49

§ 15.2.2 The ~~Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions:~~ Architect will review Claims and take one or more of the following preliminary actions within ten (10) days of receipt of a Claim: (1) request additional supporting data from the ~~claimant or a response with supporting data from the other party, (2)~~ claimant, (2) submit a schedule to the parties indicating when the Architect expects to take action, (3) reject the Claim in whole or in ~~part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.~~part stating reasons for the rejection, (4) recommend approval of the Claim by the other party, or (5) suggest a compromise. If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by the Architect, the Architect shall notify the parties in writing that the Architect's decision will be made within ten (10) days, which decision shall be final subject to action at law as provided in Paragraph 15.3.

...

§ 15.2.3 ~~In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.~~If a Claim has been resolved, the Architect will prepare or obtain appropriate documentation.

...

§ 15.2.4 If ~~the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.~~a Claim has not been resolved, the party making the Claim shall, within ten (10 days after the Architect's preliminary response, take one or more of the following actions: (1) submit additional supporting data requested by the Architect, (2) modify the initial Claim, or (3) notify the Architect that the initial Claim stands.

...

§ 15.2.5 ~~The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial~~ If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by the Architect, the Architect will notify the parties in writing that the Architect's decision will be made within seven (7) days, which decision shall be final and binding on the parties but subject ~~to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.~~to action at law. Upon expiration of such time period, the Architect will render to the parties

...

§ 15.2.6 ~~Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.~~the Architect's written decision relative to the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.~~Claim, including any change in the Contract Sum or Contract Time or both. If there is a surety and there appears to be a possibility of a Contractor's default, the Architect may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

...

§ ~~15.2.7 In~~ 15.2.6 in the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a ~~Contractor's~~ Contractor's default, the Owner may, but is not obligated to, notify the surety and request the ~~surety's~~ surety's assistance in resolving the controversy.

...

~~§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.~~

PAGE Error! Bookmark not defined.

~~§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.~~

...

~~§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.~~

...

~~§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.~~

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~§ 15.4 Arbitration~~

...

~~§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.~~

...

~~§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.~~

...

~~§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

...

~~§ 15.4.3 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.~~

...

~~§ 15.4.4 Consolidation or Joinder~~

...

~~§ 15.4.4.1 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).~~

...

~~§ 15.4.4.2 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not~~

~~constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.~~

...

~~**§ 15.4.4.3** The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as those of the Owner and Contractor under this Agreement.~~

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Minneapolis Public Schools, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A201™ - 2017, General Conditions of the Contract for Construction, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

Jessica J Pavelka

(Signed)

Manager, Capital Planning and Construction

(Title)

November 2, 2022

(Dated)

AIA Document D401™ – 2003. Copyright © 1992 and 2003 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

MINNEAPOLIS PUBLIC SCHOOLS
Urban Education. Global Citizens.

Capital Planning, Construction & Maintenance Department

Construction Contract Change Order Cover Sheet

Project Information

Contractor	Sheehy Construction	Date	11/18/2022
Project Name	FY21 Justice Page Middle School Renovation	Project No.	21PAGE001
Contract Approval Date:	1/11/2022	OP Number	22-2211

Summary

Original Contract Amount	$ 5,368,300.00	Date of Substantial Completion	8/19/2022
Board Authorized Amount	$ 6,015,050.56		

Summary of Previous Change Orders

Change Order #1	$	28,565.08	PR#001, 002, 003 and 005
Change Order #2	$	507,694.46	PR#004, 006, 007 and 010 COR 001-006, 009
Change Order #3	$	110,491.02	Additions and deductions to accommodate existing conditions.
Change Order #4		$0.00	
Change Order #5	$	307,375.23	Additions and deductions to accommodate existing conditions.
		TOTAL OF PREVIOUS CHANGE ORDERS	$ 954,125.79

AMOUNT OF THIS CHANGE ORDER #	**5**	**$307,375.23**

Additions and deductions to accommodate existing conditions.

TOTAL CHANGE ORDERS TO DATE	**$ 954,125.79**
REVISED CONTRACT AMOUNT	**$ 6,322,425.79**
REVISED DATE OF SUBSTANTIAL COMPLETION	N/A
DATE OF BOARD ACTION	12/13/2022

Reviewed By: Diedra Geye, Project Manager — Date: 11/18/2022

Reviewed By: Jessica J Pavelka, Manager of Planning & Construction — Date: 11/21/2022

Approved By: Executive Director, CPCM — Date: 11/22/2022

Approved By: Senior Financial Officer — Date:

AIA® Document G701™ – 2017

Change Order

PROJECT: *(Name and address)*	CONTRACT INFORMATION:	CHANGE ORDER INFORMATION:
Justice Page Middle School Addition and Renovation 10 West 50th St. Minneapolis, MN 55419	Contract For: General Construction Date: 12/15/2021	Change Order Number: 005 Date: 11/10/2022
OWNER: *(Name and address)*	**ARCHITECT:** *(Name and address)*	**CONTRACTOR:** *(Name and address)*
Minneapolis Public Schools, SSD No.1 1250 West Broadway Avenue Minneapolis, MN 55411	Miller Dunwiddie 100 Washington Ave. S., Suite 500 Minneapolis, MN 55401	Sheehy Construction Co. Inc 360 Larpenteur Ave. W., Suite 200 St. Paul, MN 55113

THE CONTRACT IS CHANGED AS FOLLOWS:
(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)
The Contract is changed as follows:

The original Contract Sum was	$	5,368,300.00
The net change by previously authorized Change Orders	$	646,750.56
The Contract Sum prior to this Change Order was	$	6,015,050.56
The Contract Sum will be increased by this Change Order in the amount of	$	307,375.23
The new Contract Sum including this Change Order will be	$	6,322,425.79

The Contract Time will be unchanged by Zero (0) days.
The new date of Substantial Completion will be

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Miller Dunwiddie	Sheehy Construction Co. Inc.	Minneapolis Public Schools
ARCHITECT *(Firm name)*	CONTRACTOR *(Firm name)*	OWNER *(Firm name)*
SIGNATURE	SIGNATURE	SIGNATURE
Kermit Duncan, Architect	Blair Juliar, Vice President	
PRINTED NAME AND TITLE	PRINTED NAME AND TITLE	PRINTED NAME AND TITLE
11/10/2022		
DATE	DATE	DATE

AIA Document G701™ – 2017. Copyright © 1979, 1987, 2000 , 2001 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 11:48:47 ET on 11/10/2022 under Order No.2114278416 which expires on 01/28/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA47)

MINNEAPOLIS PUBLIC SCHOOLS
Urban Education. Global Citizens.

Capital Planning, Construction & Maintenance Department

Construction Contract Change Order Cover Sheet

Project Information

Contractor	Sheehy Construction	Date	11/9/2022
Project Name	FY21 Multi Site Flooring Project	Project No.	22MULTI002
Contract Approval Date:	4/12/2022	OP Number	22-2223

Summary

Original Contract Amount	$	833,300.00	Date of Substantial Completion	8/12/2022
Board Authorized Amount	$	953,727.02		

Summary of Previous Change Orders

Change Order #1	$	120,427.02	Additions to accommodate changes in interior finishes.
Change Order #2	$	14,572.01	
Change Order #3	$	-	
Change Order #4	$	-	
		TOTAL OF PREVIOUS CHANGE ORDERS	$ 134,999.03

AMOUNT OF THIS CHANGE ORDER #	**2**	**$**	**14,572.01**

Additions to accommodate changes in interior finishes.

TOTAL CHANGE ORDERS TO DATE	**$**	**149,571.04**
REVISED CONTRACT AMOUNT	**$**	**968,299.03**
REVISED DATE OF SUBSTANTIAL COMPLETION	N/A	
DATE OF BOARD ACTION		12/13/2022

Reviewed By:	Diedra Geye Project Manager	Date:	11/16/2022
Reviewed By:	Jessica J Pavelka Construction	Date:	11/16/2022
Approved By:	 Executive Director, CPCM	Date:	11/16/2022
Approved By:	Ibrahima Diop Senior Officer of Finance and Operations	Date:	11/23/2022

AIA® Document G701™ – 2001

Change Order

PROJECT *(Name and address)*:
MPS FY21 Multi Site Flooring Project

CHANGE ORDER NUMBER: 002
DATE: 10/28/2022

OWNER: ☐
ARCHITECT: ☐
CONTRACTOR: ☐
FIELD: ☐
OTHER: ☐

TO CONTRACTOR *(Name and address)*:
Shcehy Construction Company
360 Larpenteur Avenue West, Suite 200
Saint Paul, MN 55113

ARCHITECT'S PROJECT NUMBER: 100321
CONTRACT DATE: 03/24/2022
CONTRACT FOR: General Construction

THE CONTRACT IS CHANGED AS FOLLOWS:
(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
See attached summary and backup documentation.

The original Contract Sum was	$	833,300.00
The net change by previously authorized Change Orders	$	120,427.02
The Contract Sum prior to this Change Order was	$	953,727.02
The Contract Sum will be increased by this Change Order in the amount of	$	14,572.01
The new Contract Sum including this Change Order will be	$	968,299.03

The Contract Time will be increased by Zero (0) days.
The date of Substantial Completion as of the date of this Change Order therefore is 08/12/2022.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

ARCHITECT	CONTRACTOR	OWNER
Wendel Architecture, PC (Wendel)	Shechy Construction Company	Minneapolis Public Schools Special School District No. 1
(Firm name)	*(Firm name)*	*(Firm name)*
401 2nd Avenue N, #206 Minneapolis, MN 55401	360 Larpenteur Avenue West, Suite 200 Saint Paul, MN 55113	1250 W. Broadway Ave. Minneapolis, MN 55411
ADDRESS	ADDRESS	ADDRESS
BY *(Signature)*	BY *(Signature)*	BY *(Signature)*
REBECCA STALEY	Blair Juliar, Vice President	
(Typed name)	*(Typed name)*	*(Typed name)*
10.28.2022	11/04/2022	
DATE	DATE	DATE

AIA Document G701™ – 2001. Copyright © 1979, 1987, 2000 and 2001 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 12:14:18 ET on 10/28/2022 under Order No.2114250624 which expires on 10/30/2022, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes:
(3B9ADA37)

Date: **10/28/2022**
Project: **MPS FY21 Multi Site Flooring Replacement**
Comm. No.: 1003.21
Subject: Change Order No. 02 Summary Sheet
Memo by: Becca Staley, Wendel
Memo to: Diedra Geye, MPS
Dan Hannover, Sheehy Construction

Change No.	Description	Cost
Caulking	Cost for caulking at top of floor base	$ 7,142.04
PR – 04	Additional flooring – Labor to install LVT in Wilder A124B, add LVT to Anthony MS woodshop	$7,429.97
	Total	**$14,572.01**

SHEEHY

Caulking at Flooring Base

DESCRIPTION: Cost for caulking at the top of the flooring base.

Schedule Impact:

PROJECT : MPS - FY21 Multi Site Flooring Project
DATE : 9/9/22 **TIME** 10:00:34
PROJECT MANAGER: Dan Hannover

DESCRIPTION	QTY	U	LABOR	MATL	SUB	TOT LAB	TOT MAT	TOT SUB
****** DO NOT USE OR DELETE THIS LINE ******						-	-	-
						0.00	0.00	0.00
Dziedzic Caulking	1	LS			6613.00	0.00	0.00	6613.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
****** DO NOT USE OR DELETE THIS LINE ******						-	-	-
SUBTOTALS						**$ -**	**$ -**	**$ 6,613.00**

TOTAL LABOR	**$ -**
TOTAL MATERIAL	**$ -**
TOTAL SUBCONTRACTS	**$ 6,613.00**

SUBTOTAL	**$ 6,613.00**

10% O&P on Labor and Material:	**$ -**	**$ -**
5% O&P on Subcontracts:	**$ 6,613.00**	**$ 330.65**
3% Bond/Insurance:	**$ 6,613.00**	**$ 198.39**

TOTAL **$ 7,142.04**

DZIEDZIC CAULKING, INC.

3928 - 168th Avenue NW
Andover, MN 55304
Phone: 763-712-0333 Fax: 763-712-1500
dziedziccaulking@msn.com

Invoice

DATE	INVOICE NO.
8/25/2022	103206

BILL TO

Sheehy Construction Co.
360 Larpenteur Ave West, Suite 200
St. Paul, MN 55113

PROJECT

FY21 Multi-Site Flooring

Minneapolis, MN

JOB #	TERMS
	Net 30

DESCRIPTION	AMOUNT
Caulking top of base	**6,613.00**

Thank you.

Total $6,613.00

A DBE, TGB & Women-owned Business Enterprise

Rebecca Staley

From: Danial Hannover <danial.hannover@sheehyconstruction.com>
Sent: Wednesday, October 26, 2022 2:57 PM
To: Rebecca Staley
Cc: Diedra Geye (MPS); Daniel J. Goemann
Subject: RE: MPS - FY21 Flooring: Caulking at Base Pricing

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Becca –

Here is a breakout.

Labor: $40 hours x $95.00 = $3,800.00
Material: 181 sausages x $15 = 2,715.00
Cleaning/misc tools: $ 98.00

Can we get this finalized so we can bill final?

Danial W. Hannover| Sheehy Construction Company
D 651.328.8346 | C 507.456.4062 | F 651.488.4992

From: Rebecca Staley <rstaley@wendelcompanies.com>
Sent: Monday, October 10, 2022 5:22 PM
To: Danial Hannover <danial.hannover@sheehyconstruction.com>
Cc: Diedra Geye (MPS) <diedra.geye@mpls.k12.mn.us>; Daniel J. Goemann <dgoemann@wendelcompanies.com>
Subject: RE: MPS - FY21 Flooring: Caulking at Base Pricing

CAUTION: This email originated from outside of the Sheehy Construction organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dan,

I have added this to CO #2 but noticed there's no quantity in the description. Can we get either the linear feet or the number of rooms that got the caulking?

Thanks,

Becca Staley, AIA
Architect
Licensed in MN



ARCHITECTURE | ENGINEERING | ENERGY EFFICIENCY | CONSTRUCTION MANAGEMENT

Wendel, 401 2nd Avenue North, Suite 206, Minneapolis, MN 55401
p. 612.332.1401 **tf.** 877.293.6335 **e.** rstaley@wendelccompanies.com **w.** wendelcompanies.com

CONFIDENTIALITY NOTICE: This email transmission is confidential and is intended only for the person(s) named above. Any distribution, copying or disclosure of this email is strictly prohibited.

From: Danial Hannover <danial.hannover@sheehyconstruction.com>
Sent: Friday, September 9, 2022 10:03 AM
To: Daniel J. Goemann <dgoemann@wendelcompanies.com>; Rebecca Staley <rstaley@wendelcompanies.com>
Cc: Diedra Geye (MPS) <diedra.geye@mpls.k12.mn.us>
Subject: MPS - FY21 Flooring: Caulking at Base Pricing

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dan / Becca –

See attached for the pricing for the caulking at the base installed over the metal trim.

Danial W. Hannover | Project Manager | Sheehy Construction Company
360 West Larpenteur Avenue | St. Paul, MN 55113
D 651.328.8346 | C 507.456.4062 | F 651.488.4992
www.sheehyconstruction.com

SHEEHY

Sheehy Construction Company is An Equal Opportunity Employer

This email and any documents accompanying it contain certain confidential information belonging to the sender, which is legally privileged. This information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, forwarding, distribution or taking any action in reliance on the contents of this information is strictly prohibited. If you received this email in error, please notify us by telephone to arrange for the return of the original material.

SHEEHY

Additional Flooring

DESCRIPTION: Cost for additional LVT in the woodshop classroom at Anthony MS and in A124B at Wilder.

Schedule Impact:

PROJECT : **MPS - FY21 Multi Site Flooring Project**
DATE : **9/6/22** **TIME** **14:14:13**
PROJECT MANAGER: **Dan Hannover**

DESCRIPTION	QTY	U	LABOR	MATL	SUB	TOT LAB	TOT MAT	TOT SUB
****** DO NOT USE OR DELETE THIS LINE ******						-	-	-
						0.00	0.00	0.00
St Paul Lino						0.00	0.00	0.00
- Anthony MS	1	LS			6217.40	0.00	0.00	6217.40
- Wilder	1	LS			662.20	0.00	0.00	662.20
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
****** DO NOT USE OR DELETE THIS LINE ******						-	-	-
SUBTOTALS						**$ -**	**$ -**	**$ 6,879.60**

TOTAL LABOR	**$ -**
TOTAL MATERIAL	**$ -**
TOTAL SUBCONTRACTS	**$ 6,879.60**
SUBTOTAL	**$ 6,879.60**

10% O&P on Labor and Material:	**$ -**	**$ -**
5% O&P on Subcontracts:	**$ 6,879.60**	**$ 343.98**
3% Bond/Insurance:	**$ 6,879.60**	**$ 206.39**
TOTAL		**$ 7,429.97**

Quotation

2956 CENTER COURT. EAGAN. MN 55121
651.686.7770 www.SPLINO.com

DATE: 8/26/2022

TO: Dan Hannover
COMPANY: Sheehy Construction
PROJECT NAME: MPS MULTI SCHOOL PROJECT

FROM: Joe St. Clair
PHONE: 612.501.6219
EMAIL: joes@splino.com

SCOPE: Demo existing carpet and Install LVT-2 and RB-2 at storage room A124B in Wilder Complex - **LABOR ONLY**

DESCRIPTION		LABOR
PRICING:		
6.5 HOURS / 1 INSTALLER ($92.75 X 6.5 HOURS)		$602.00
10% OH/P ON LABOR		$60.20
	TOTAL	**$662.20**

CLARIFICATIONS: Except as noted above, correction of excess moisture, PH and/or removal of any surface substance that may interfere with proper installation is not included. Pricing based on normal working hours, M-F, 7am-3:30pm. Cleaning, protecting and vacuuming not included. Demolition of existing flooring not included in above pricing unless otherwise noted.

Quotation

2956 CENTER COURT. EAGAN. MN 55121
651.686.7770 www.SPLINO.com

DATE: 8/26/2022

TO: Dan Hannover
COMPANY: Sheehy Construction
PROJECT NAME: MPS MULTI SCHOOL PROJECT

FROM: Joe St. Clair
PHONE: 612.501.6219
EMAIL: joes@splino.com

SCOPE: Install LVT-1 and Base in Woodshop Classroom at Anthony Middle School

DESCRIPTION	MATERIALS	LABOR
PRICING:		
3.5 DAYS / 2 INSTALLERS ($92.75 X 28 HOURS X 2)		$5,194.00
10% OH/P ON LABOR		$519.40
PREP MATERIAL		
16 - 10 LBS BAGS OF ARDEX FEATHER FINISH (PREP MATERIAL FOR SKIM COAT)	$480.00	
5% OH/P ON MATERIALS	$24.00	
TOTALS	**$504.00**	**$5,713.40**

CLARIFICATIONS: Except as noted above, correction of excess moisture, PH and/or removal of any surface substance that may interfere with proper installation is not included. Pricing based on normal working hours, M-F, 7am-3:30pm. Cleaning, protecting and vacuuming not included. Demolition of existing flooring not included in above pricing unless otherwise noted.

AIA® Document A101® – 2017

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

AGREEMENT made as of the Fourth day of November in the year Two Thousand Twenty-Two
(In words, indicate day, month and year.)

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

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

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

Sheehy Construction Company
360 Larpenteur Avenue West
Suite 200
Saint Paul, MN 55113

for the following Project:
(Name, location and detailed description)

Multi-Site Lighting Upgrades

Harrison Education Center
501 Irving Avenue North
Minneapolis, MN 55405

River Bend Education Center
1510 Glenwood Avenue
Minneapolis, MN 55405

The Architect:
(Name, legal status, address and other information)

Armstrong, Torseth, Skold & Rydeen Inc.
8501 Golden Valley Road
Suite 300
Minneapolis, MN 55427-4414

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.

The parties should complete A101®–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201®–2017, 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.

Init.
/
AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

TABLE OF ARTICLES

1 THE CONTRACT DOCUMENTS

2 THE WORK OF THIS CONTRACT

3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

4 CONTRACT SUM

5 PAYMENTS

6 DISPUTE RESOLUTION

7 TERMINATION OR SUSPENSION

8 MISCELLANEOUS PROVISIONS

9 ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which 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 a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

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

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[ ] The date of this Agreement.

[X] A date set forth in a notice to proceed issued by the Owner.

[ ] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

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

§ 3.3 Substantial Completion

§ 3.3.1 The Contractor shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

[ ] Not later than ( ) calendar days from the date of commencement of the Work.

[X] By the following date: Defined in EXH-D Project Schedule

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates are defined in EXH-D Project Schedule. Such portions of the work not completed as defined in EXH-D Project Schedule shall be subject to liquidated damages as set forth in Article 4.5.

(Table Deleted)

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract as defined in EXH-B Project Charter, subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum are defined in EXH-B Project Charter.

(Table Deleted)

§ 4.2.2 Subject to the conditions noted in EXH-B Project Charter, alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.

(Paragraph Deleted)

(Table Deleted)

§ 4.3 Allowances, if any, included in the Contract Sum are defined in EXH-B Project Charter.

(Paragraph Deleted)

(Table Deleted)

§ 4.4 Unit prices, if any are defined in EXH-B Project Charter.

(Paragraph Deleted)

(Table Deleted)

§ 4.5 Liquidated damages

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

Contractor and Owner recognized that time is of the essence for the Project and the Owner will suffer financial loss if the Work is not completed in the time specified in the Contract Documents. The parties also recognized the delays, expenses, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by the Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, the Owner and Contractor agree that as liquidated
damages for delay (but not as penalty), Contractor shall pay Owner $1,000.00 per calendar day for each day that expires after the time specified for Substantial Completion in EXH-D Project Schedule until such time the Work is determined to be substantially complete by the
Owner.

(Paragraph Deleted)

After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining work within the Contract time specified in the Contract Documents, the contractor shall pay the Owner $1,000.00 per day that expires after the time specified in the Contract Documents for Final Completion and readiness for Final Payment until the Work is completed.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

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

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 5.1.3 When an Application for Payment is received by the Architect, payment of the amount certified shall be made by the Owner not later than 45 (forty-five) days after the Architect receives the Application for Payment.

(Paragraph Deleted)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor on AIA G702 Application and Certificate for Payment in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 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.

§ 5.1.6 In accordance with AIA Document A201™–2017, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- **.1** That portion of the Contract Sum properly allocable to completed Work;
- **.2** That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- **.3** That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- **.1** The aggregate of any amounts previously paid by the Owner;

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

.2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;

.3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;

.4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017; and

.5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Paragraph Deleted)

5% (five percent)

§ 5.1.7.1.1 The following items are not subject to retainage:
(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

For major items installed into the Work, the Contractor may request full payment for the items to ensure prompt delivery and fabrication. Such items shall be recommended by the Architect and approved by the Owner as not requiring retainage. Prompt payment for the items shall be documented by the Contractor to the Owner in the subsequent payment application by submitting a full lien release for the items. Major items may include mechanical units with long lead times, structural systems with long lead times, critical path systems or items, etc. Major items will be discussed and defined by Owner, Architect, and Contractor.

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:
Prior to Substantial Completion and at the discretion of the Owner, retainage may be reduced. If the Work has been 50% completed as
determined by the Architect and is satisfactory to the Owner, then 90% of the retained amount may be released to the Contractor for completed work (with 10% of the total retained by the Owner.) Upon Substantial Completion, additional retainage may be returned to the Contractor as recommended by the Architect and approved by the Owner to an amount sufficient to satisfactorily complete the Work. Retainage release will comply with Minnesota Statute 15.72 after Substantial Completion and punch list acceptance by the Owner.

(Paragraph Deleted)

§ 5.1.8 If final completion of the Work is materially delayed through no fault of the Contractor, the Owner shall pay the Contractor any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site or otherwise stored offsite with adequate Owner approved insurance provided to the Owner.

§ 5.2 Final Payment

§ 5.2.1 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 Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment; and

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

.2 a final Certificate for Payment has been issued by the Architect.

.3 all lien waivers and IC134 forms have been delivered to the Owner.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 45 days after the issuance of the Architect's final Certificate for Payment.

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. Owner will pay the Contractor 0% interest for Payments not due made within forty five (45) days.

(Paragraph Deleted)

§ 5.4 Prompt Payment to Subcontractors

This Contract requires the Contractor and all Subcontractors and Sub-subcontractors (of any tier) to promptly pay any subcontractor or material supplier contract within ten (10) days of receipt of payment by Owner for undisputed services provided by the party requesting payment. The party responsible for payment (other than the Owner) shall pay interest of one and one half (1-1/2) percent per month to the party requesting payment on any undisputed amount not paid on time. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the party responsible for payment shall pay the actual penalty due to the party requesting payment.

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017.

§ 6.1.1 Mediation

Either the Owner or the Contractor may request mediation of any Claim submitted to the Architect for decision before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect at the date of this contract. The request for mediation shall be made in writing to the American Arbitration Association and to the other party of this contract.

Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within sixty (60) days of the date of filing the request.

If the Claim is not resolved by mediation, the Architect's action shall become final and binding thirty (30) days after termination of the mediation proceedings. Within the time period, the Owner and Contractor mayrequest Binding Dispute Resolution.

The Work must continue, at the Owner's discretion, in accordance with paragraph 15.1.4.1 of AIA Document A201-2017.

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

(Check the appropriate box.)

[ ] Arbitration pursuant to Section 15.4 of AIA Document A201–2017

[X] Litigation in a court of competent jurisdiction

[ ] Other *(Specify)*

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017.

§ 7.1.1 If the Contract is terminated for the Owner's convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee as follows:
(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)

Termination fee will be based on the percentage of work completed and any materials purchased or in production at the time of termination. Said fee and justification shall be provided to the Owner by the Contractor within ten (10) days of the notice of termination.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

Don Bielinski
1250 West Broadway Avenue
Minneapolis, MN 55411

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

Daniel M. Krause
President
Sheehy Construction Company
360 Larpenteur Avenue West
Suite 200
Saint Paul, MN 55113

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

§ 8.5 Insurance and Bonds

§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, Exhibit A, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A101™–2017 Exhibit A, and elsewhere in the Contract Documents.

§ 8.6 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:
(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 8.7 Other provisions:

Owner prohibits Contractor from using the Work in any marketing material or business developement practice. Contractor is prohibited from communication with any news outlet or public without Owner's written approval.

Floor plans, designs, wiring, safety and security measures shall be kept confidential by the Contractor, the Subcontractors, the Sub-subcontractors (of any tier) during and after completion of the Work.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

.1 AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor

.2 AIA Document A101™–2017, Exhibit A, Insurance and Bonds

.3 AIA Document A201™–2017, General Conditions of the Contract for Construction

.4 AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this Agreement.)

January 31, 2020

.5 Drawings

Number	Title	Date

.6 Specifications

Section	Title	Date	Pages

.7 Addenda, if any:

Number	Date	Pages

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.8 Other Exhibits:

(Paragraphs Deleted)

EXH-B Project Charter

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

(Paragraph Deleted)

EXH-C Owner Insurance
EXH-D Project Schedule

(Paragraph Deleted)

(Table Deleted)

[ ] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages

.9 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

This Agreement entered into as of the day and year first written above.

OWNER *(Signature)*	**CONTRACTOR** *(Signature)*
(Printed name and title)	Daniel M. Krause, President *(Printed name and title)*

AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes:
(3B9ADA4F)

Additions and Deletions Report for
AIA® Document A101® – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 07:48:17 CT on 11/09/2022.

PAGE 1

AGREEMENT made as of the Fourth day of November in the year Two Thousand Twenty-Two

...

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

...

Sheehy Construction Company
360 Larpenteur Avenue West
Suite 200
Saint Paul, MN 55113

...

Multi-Site Lighting Upgrades

Harrison Education Center
501 Irving Avenue North
Minneapolis, MN 55405

River Bend Education Center
1510 Glenwood Avenue
Minneapolis, MN 55405

...

Armstrong, Torseth, Skold & Rydeen Inc.
8501 Golden Valley Road
Suite 300
Minneapolis, MN 55427-4414

PAGE 2

[X] A date set forth in a notice to proceed issued by the Owner.

...

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

§ 3.3.1 ~~Subject to adjustments of the Contract Time as provided in the Contract Documents, the~~ The Contractor shall achieve Substantial Completion of the entire Work:

PAGE 3

[**X**] By the following date: Defined in EXH-D Project Schedule

...

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following ~~dates:~~dates are defined in EXH-D Project Schedule. Such portions of the work not completed as defined in EXH-D Project Schedule shall be subject to liquidated damages as set forth in Article 4.5.

...

~~**Portion of Work** **Substantial Completion Date**~~

...

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the ~~Contract. The Contract Sum shall be ($),~~ Contract as defined in EXH-B Project Charter, subject to additions and deductions as provided in the Contract Documents.

...

§ 4.2.1 Alternates, if any, included in the Contract ~~Sum:~~Sum are defined in EXH-B Project Charter.

...

~~**Item** **Price**~~

...

§ 4.2.2 Subject to the conditions noted ~~below, the following~~ in EXH-B Project Charter, alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.

...

~~*(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)*~~

...

~~**Item** **Price** **Conditions for Acceptance**~~

...

§ 4.3 Allowances, if any, included in the Contract ~~Sum:~~Sum are defined in EXH-B Project Charter.

...

~~*(Identify each allowance.)*~~

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

...

~~Item~~ ~~Price~~

...

§ 4.4 Unit prices, if ~~any:~~any are defined in EXH-B Project Charter.

...

~~*(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)*~~

...

~~Item~~ ~~Units and Limitations~~ ~~Price per Unit ($0.00)~~

...

§ 4.5 Liquidated ~~damages, if any:~~damages

PAGE 4

~~*(Insert terms and conditions for liquidateddamages, if any.)*~~*Contractor and Owner recognized that time is of the essence for the Project and the Owner will suffer financial loss if the Work is not completed in the time specified in the Contract Documents. The parties also recognized the delays, expenses, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by the Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, the Owner and Contractor agree that as liquidated*

...

damages for delay (but not as penalty), Contractor shall pay Owner $1,000.00 per calendar day for each day that expires after the time specified for Substantial Completion in EXH-D Project Schedule until such time the Work is determined to be substantially complete by the

...

Owner.

...

~~**§ 4.6** Other:~~

...

~~*(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)*~~*After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining work within the Contract time specified in the Contract Documents, the contractor shall pay the Owner $1,000.00 per day that expires after the time specified in the Contract Documents for Final Completion and readiness for Final Payment until the Work is completed.*

...

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the ~~month, or as follows:~~month.

...

§ 5.1.3 ~~Provided that~~ When an Application for Payment is received by the Architect~~not later than the __ day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the __ day of the __ month. If an Application for Payment is received by the Architect after the application date fixed above,~~ , payment of the amount certified shall be made by the Owner not later than 45 (forty-five) days after the Architect receives the Application for Payment.

...

~~*(Federal, state or local laws may require payment within a certain period of time.)*~~

...

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor on AIA G702 Application and Certificate for Payment in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

PAGE 5

~~*(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)*~~

...

5% (five percent)

...

For major items installed into the Work, the Contractor may request full payment for the items to ensure prompt delivery and fabrication. Such items shall be recommended by the Architect and approved by the Owner as not requiring retainage. Prompt payment for the items shall be documented by the Contractor to the Owner in the subsequent payment application by submitting a full lien release for the items. Major items may include mechanical units with long lead times, structural systems with long lead times, critical path systems or items, etc. Major items will be discussed and defined by Owner, Architect, and Contractor.

...

~~*(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work asprovided in Section 3.3.2, insert provisions for such modifications.)*~~*Prior to Substantial Completion and at the discretion of the Owner, retainage may be reduced. If the Work has been 50% completed as*

...

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

§ 5.1.7.3 ~~Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:~~determined by the Architect and is satisfactory to the Owner, then 90% of the retained amount may be released to the Contractor for completed work (with 10% of the total retained by the Owner.) Upon Substantial Completion, additional retainage may be returned to the Contractor as recommended by the Architect and approved by the Owner to an amount sufficient to satisfactorily complete the Work. Retainage release will comply with Minnesota Statute 15.72 after Substantial Completion and punch list acceptance by the Owner.

...

~~*(Insert any other conditions for release of retainage upon Substantial Completion.)*~~

...

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the ~~site.~~site or otherwise stored offsite with adequate Owner approved insurance provided to the Owner.

PAGE 6

.3 all lien waivers and IC134 forms have been delivered to the Owner.

...

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than ~~30~~ 45 days after the issuance of the Architect's final Certificate for ~~Payment, or as follows:~~Payment.

...

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. Owner will pay the Contractor 0% interest for Payments not due made within forty five (45) days.

...

~~*(Insert rate*~~

...

§ 5.4 Prompt Payment to Subcontractors

...

This Contract requires the Contractor and all Subcontractors and Sub-subcontractors (of any tier) to promptly pay any subcontractor or material supplier contract within ten (10) days of receipt of ~~interest agreed upon, if any.)~~payment by Owner for undisputed services provided by the party requesting payment. The party responsible for

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

payment (other than the Owner) shall pay interest of one and one half (1-1/2) percent per month to the party requesting payment on any undisputed amount not paid on time. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the party responsible for payment shall pay the actual penalty due to the party requesting payment.

...

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document ~~A201–2017, unless~~ A201–2017.

...

§ 6.1.1 Mediation

...

~~the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.~~Either the Owner or the Contractor may request mediation of any Claim submitted to the Architect for decision before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect at the date of this contract. The request for mediation shall be made in writing to the American Arbitration Association and to the other party of this contract.

...

Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within sixty (60) days of the date of filing the request.

...

~~*(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*~~*If the Claim is not resolved by mediation, the Architect's action shall become final and binding thirty (30) days after termination of the mediation proceedings. Within the time period, the Owner and Contractor mayrequest Binding Dispute Resolution.*

...

The Work must continue, at the Owner's discretion, in accordance with paragraph 15.1.4.1 of AIA Document A201-2017.

PAGE 7

[**X**] Litigation in a court of competent jurisdiction

...

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

Termination fee will be based on the percentage of work completed and any materials purchased or in production at the time of termination. Said fee and justification shall be provided to the Owner by the Contractor within ten (10) days of the notice of termination.

...

Don Bielinski
1250 West Broadway Avenue
Minneapolis, MN 55411

...

Daniel M. Krause
President
Sheehy Construction Company
360 Larpenteur Avenue West
Suite 200
Saint Paul, MN 55113

PAGE 8

Owner prohibits Contractor from using the Work in any marketing material or business developement practice. Contractor is prohibited from communication with any news outlet or public without Owner's written approval.

Floor plans, designs, wiring, safety and security measures shall be kept confidential by the Contractor, the Subcontractors, the Sub-subcontractors (of any tier) during and after completion of the Work.

...

January 31, 2020

...

~~*(Check all boxes that apply and include appropriate information identifying the exhibit where required.)*~~

...

~~[ ] AIA Document E204™–2017, Sustainable Projects Exhibit, dated as indicated below:~~

...

EXH-B Project Charter

PAGE 9

~~(Insert the date of the E204-2017 incorporated into this Agreement.)~~

...

EXH-C Owner Insurance

Additions and Deletions Report for AIA Document A101® – 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

...

EXH-D Project Schedule

...

~~[~] The Sustainability Plan:~~

...

~~Title~~	~~Date~~	~~Pages~~

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Jessica Pavelka, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 07:48:17 CT on 11/09/2022 under Order No. 2114296869 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A101™ - 2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

Executive Director

(Title)

11/9/2022

(Dated)

AIA Document D401™ – 2003. Copyright © 1992 and 2003 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:48:17 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (3B9ADA4F)

AIA® Document A101® – 2017 Exhibit A

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Contractor, dated the Fourth day of November in the year Two Thousand Twenty-Two
(In words, indicate day, month and year.)

for the following **PROJECT**:
(Name and location or address)

Multi-Site Lighting Upgrades – Harrison Education Center and River Bend Education Center. Official Publication No. 23-2306

Harrison Education Center
501 Irving Avenue North
Minneapolis, MN 55405

River Bend Education Center
1510 Glenwood Avenue
Minneapolis, MN 55405

THE OWNER:
(Name, legal status and address)

Minneapolis Public Schools
1250 West Broadway Avenue
Minneapolis, MN 55411

THE CONTRACTOR:
(Name, legal status and address)

Sheehy Construction Company
360 Larpenteur Avenue West
Suite 200
Saint Paul, MN 55113

TABLE OF ARTICLES

A.1 GENERAL

A.2 OWNER'S INSURANCE

A.3 CONTRACTOR'S INSURANCE AND BONDS

A.4 SPECIAL TERMS AND CONDITIONS

ARTICLE A.1 GENERAL

The Owner and Contractor shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

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 intended to be used in conjunction with AIA Document A201®–2017, General Conditions of the Contract for Construction. Article 11 of A201®–2017 contains additional insurance provisions.

Init.
/

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

ARTICLE A.2 OWNER'S INSURANCE

§ A.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article A.2 and, upon the Contractor's request, provide a copy of the property insurance policy or policies required by Section A.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

§ A.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner's usual general liability insurance.

§ A.2.3 Required Property Insurance

§ A.2.3.1 Unless this obligation is placed on the Contractor pursuant to Section A.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section A.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ A.2.3.1.1 Causes of Loss. The insurance required by this Section A.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:
(Indicate below the cause of loss and any applicable sub-limit.)

Causes of Loss	Sub-Limit

§ A.2.3.1.2 Specific Required Coverages. The insurance required by this Section A.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Contractor's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:
(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit

§ A.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section A.2.3.1 or, if necessary, replace the insurance policy required under Section A.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ A.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section A.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ A.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section A.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Contractor shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

§ A.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section A.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

§ A.2.4 Optional Extended Property Insurance.

The Owner shall purchase and maintain the insurance selected and described below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

[ ] **§ A.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.

[ ] **§ A.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.

[ ] **§ A.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.

[ ] **§ A.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.

[ ] **§ A.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.

[ ] **§ A.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

[ ] **§ A.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ A.2.5 Other Optional Insurance.
The Owner shall purchase and maintain the insurance selected below.
(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

[ ] **§ A.2.5.1 Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information.
(Indicate applicable limits of coverage or other conditions in the fill point below.)

[ ] **§ A.2.5.2 Other Insurance**
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage	Limits

ARTICLE A.3 CONTRACTOR'S INSURANCE AND BONDS
§ A.3.1 General
§ A.3.1.1 Certificates of Insurance. The Contractor shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article A.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section A.3.2.1 and Section A.3.3.1. The certificates will show the Owner as an additional insured on the Contractor's Commercial General Liability and excess or umbrella liability policy or policies.

§ A.3.1.2 Deductibles and Self-Insured Retentions. The Contractor shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Contractor.

§ A.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Contractor shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ A.3.2 Contractor's Required Insurance Coverage
§ A.3.2.1 The Contractor shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Contractor shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Contractor is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

§ A.3.2.2 Commercial General Liability

§ A.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits as defined is ECH-C Owner Insurance, providing coverage for claims including

.1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;

.2 personal injury and advertising injury;

.3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;

.4 bodily injury or property damage arising out of completed operations; and

.5 the Contractor's indemnity obligations under Section 3.18 of the General Conditions.

§ A.3.2.2.2 The Contractor's Commercial General Liability policy under this Section A.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

.1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.

.2 Claims for property damage to the Contractor's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.

.3 Claims for bodily injury other than to employees of the insured.

.4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.

.5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.

.6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.

.7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.

.8 Claims related to roofing, if the Work involves roofing.

.9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.

.10 Claims related to earth subsidence or movement, where the Work involves such hazards.

.11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ A.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits as defined in EXH-C Owner Insurance .

§ A.3.2.4 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section A.3.2.2 and A.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers. Umbrella coverage as defined in EXH-C Owner Insurance

§ A.3.2.5 Workers' Compensation at statutory limits for Coverage A as defined in EXH-C Owner Insurance.

§ A.3.2.6 Employers' Liability Coverage B as defined in EXH-C Owner Insurance .

(Paragraph deleted)

§ A.3.2.8 If the Contractor is required to furnish professional services as part of the Work, the Contractor shall procure Professional Liability insurance covering performance of the professional services, with policy limits as defined in EXH-C Owner Insurance .

.

(Paragraphs deleted)

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

§ A.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits as defined in EXH-C Owner Insurance.

§ A.3.3 Contractor's Other Insurance Coverage

§ A.3.3.1 Insurance selected and described in this Section A.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Contractor shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Contractor is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

If Professional Liability Insurance is required as part of this contract or becomes required during the course of the project coverage shall be in accordance with A.3.2.8, the insurance coverage shall be maintained for one calendar year after the date of Substantial Completion

§ A.3.3.2 The Contractor shall purchase and maintain the following types and limits of insurance in accordance with Section A.3.3.1 as defined in EXH-C Owner Insurance.

(Paragraphs deleted)

§ A.3.4 Performance Bond and Payment Bond

The Contractor shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:
(Specify type and penal sum of bonds.)

Type	Penal Sum ($0.00)
Payment Bond	Full contract value
Performance Bond	Full contract value

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE A.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

None

AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

Additions and Deletions Report for
AIA® Document A101® – 2017 Exhibit A

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 07:49:21 CT on 11/09/2022.

PAGE 1

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Contractor, dated the Fourth day of November in the year Two Thousand Twenty-Two

...

(Name and location or address)

Multi-Site Lighting Upgrades – Harrison Education Center and River Bend Education Center. Official Publication No. 23-2306

Harrison Education Center
501 Irving Avenue North
Minneapolis, MN 55405

...

River Bend Education Center
1510 Glenwood Avenue
Minneapolis, MN 55405

...

Minneapolis Public Schools
1250 West Broadway Avenue
Minneapolis, MN 55411

...

Sheehy Construction Company
360 Larpenteur Avenue West
Suite 200
Saint Paul, MN 55113

PAGE 5

§ A.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits ~~of not less than ($) each occurrence, ($) general aggregate, and ($) aggregate for products-completed operations hazard,~~ as defined is ECH-C Owner Insurance, providing coverage for claims including

Additions and Deletions Report for AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

...

§ A.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits ~~of not less than ($) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.~~as defined in EXH-C Owner Insurance .

§ A.3.2.4 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section A.3.2.2 and A.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers. Umbrella coverage as defined in EXH-C Owner Insurance

§ A.3.2.5 Workers' Compensation at statutory ~~limits.~~limits for Coverage A as defined in EXH-C Owner Insurance.

§ A.3.2.6 Employers' Liability ~~with policy limits not less than ($) each accident, ($) each employee, and ($) policy limit.~~Coverage B as defined in EXH-C Owner Insurance .

~~**§ A.3.2.7** Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks~~

§ A.3.2.8 If the Contractor is required to furnish professional services as part of the Work, the Contractor shall procure Professional Liability insurance covering performance of the professional services, with policy limits ~~of not less than ($) per claim and ($) in the aggregate.~~as defined in EXH-C Owner Insurance .

.

~~**§ A.3.2.9** If the Work involves the transport, dissemination, use, or release of pollutants, the Contractor shall procure Pollution Liability insurance, with policy limits of not less than ($) per claim and ($) in the aggregate.~~

~~**§ A.3.2.10** Coverage under Sections A.3.2.8 and A.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than ($) per claim and ($) in the aggregate.~~

~~**§ A.3.2.11** Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than ($) per claim and ($) in the aggregate.~~

§ A.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits ~~of not less than ($) per claim and ($) in the aggregate.~~as defined in EXH-C Owner Insurance.

PAGE 6

If Professional Liability Insurance is required as part of this contract or becomes required during the course of the project coverage shall be in accordance with A.3.2.8, the insurance coverage shall be maintained for one calendar year after the date of Substantial Completion

§ A.3.3.2 The Contractor shall purchase and maintain the following types and limits of insurance in accordance with Section ~~A.3.3.1.~~
~~*(Select the types of insurance the Contractor is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)*~~A.3.3.1 as defined in EXH-C Owner Insurance.

~~[ ] **§ A.3.3.2.1** Property insurance of the same type and scope satisfying the requirements identified in Section A.2.3, which, if selected in this section A.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section A.2.3.1.3 and Section A.2.3.3. The Contractor shall comply with all obligations of the Owner under Section A.2.3 except to~~

Additions and Deletions Report for AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

~~the extent provided below. The Contractor shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Contractor shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:~~
~~*(Where the Contractor's obligation to provide property insurance differs from the Owner's obligations as described under Section A.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)*~~

~~[–] § A.3.3.2.2 Railroad Protective Liability Insurance, with policy limits of not less than ($) per claim and ($) in the aggregate, for Work within fifty (50) feet of railroad property.~~

~~[–] § A.3.3.2.3 Asbestos Abatement Liability Insurance, with policy limits of not less than ($) per claim and ($) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.~~

~~[–] § A.3.3.2.4 Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.~~

~~[–] § A.3.3.2.5 Property insurance on an "all-risks" completed value form, covering property owned by the Contractor and used on the Project, including scaffolding and other equipment.~~

~~[–] § A.3.3.2.6 Other Insurance~~
~~*(List below any other insurance coverage to be provided by the Contractor and any applicable limits.)*~~

~~Coverage~~	~~Limits~~

§ A.3.4 Performance Bond and Payment Bond

...

Payment Bond	Full contract value
Performance Bond	Full contract value

...

None

Additions and Deletions Report for AIA Document A101® – 2017 Exhibit A. Copyright © 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, "A101," and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 07:49:21 CT on 11/09/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1399351154)

Exhibit B – Project Charter

Project Name and Number

Multi-Site Lighting Upgrades – Harrison Education Center and River Bend Education Center. 19MULTI002, Official Publication No. 23-2306

Description

Replace existing lighting throughout Harrison Education Center and River Bend Education Center with new LED fixtures, lighting controls, and associated work per the project plans and specifications.

Contract Sum

The Contract Sum shall be $834,300.00

Alternates

Item	Price	Status
Alternate No. 1	$3,300	Accepted
Alternate No. 2	$6,400	Accepted
Alternate No. 3	$3,300	Accepted

Conditions

Item	Price	Conditions for Acceptance

Allowances

Item	Price
Building Permit	$15,000
Existing Conditions	$10,000

Unit Prices

Item	Units and Limitations	Price per Unit ($0.00)

EXHIBIT C Owner Insurance

Insurance Requirements

1. CONSULTANT'S INSURANCE – to be used with AIA B101-2017, AIA C103-2015, or similar non-contractor consultants:
   The Consultant shall at its own expense maintain in effect at all times during the performance of the Work under the Agreement at least the following coverage and limits of insurance:

   a. Worker's Compensation and Employer's Liability Insurance

      i. Coverage A is statutory.

      ii. Coverage B
      $500,000 Each Accident
      $500,000 Each Employee
      $500,000 Policy Limit (Disease)

   b. Comprehensive General Liability Insurance *

General Aggregate	$1,000,000
Products/Completed Operations Aggregate	$1,000,000
Per Occurrence	$1,000,000
Medical Payments	$10,000

   * The Owner should be named as an additional insured for Comprehensive General Liability Insurance.

   c. Automobile Insurance

Per Occurrence	$1,000,000
PIP	Basic
Underinsured Motorist	$1,000,000
Uninsured Motorist	$1,000,000

   d. Professional Liability Insurance

      i. Per Claim $2,000,000

ii. For projects with an estimated construction Contract Sum of over $10,000,000 or major structural work an aggregate is required as follows:
Aggregate $4,000,000

e. Umbrella Liability Insurance

i. Per Occurrence $2,000,000

ii. For projects with an estimated construction Contract Sum of over $10,000,000 or major structural work an aggregate is required as follows:
Aggregate $2,000,000

f. Manned or Unmanned Aircraft Coverage (if used)

i. Per Claim $1,000,000

ii. Aggregate $1,000,000

For specialty consultants used for commissioning activities, studies, asbestos surveys and security, items A, B, C and F shall apply.

Special Asbestos Abatement Liability Insurance is required for Asbestos Abatement Contractors. The limits are $1,500,000 per claim, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

2. CONSULTANT'S OBLIGATIONS

Consultant shall not violate or knowingly permit any violation of any conditions or terms of the policies of insurance required to be carried under the terms hereof and shall endeavor to satisfy the requirements of the insurance companies issuing them. In the event Consultant neglects, refuses or fails to provide or maintain any of the insurance required to be carried under the Agreement, or if such insurance is canceled for any reason, the Owner or the Owner's lender(s) shall have the right, but not the duty, to procure or maintain the same.

In the event the Owner or the Owner's lender(s) do procure or maintain such insurance, the Owner or the Owner's lender(s) shall have, in additional to any and all other available remedies, the right to recover from the Consultant (including the right of set-off against sums otherwise due the Consultant) all of the costs associated with procuring or maintaining such insurance.

3. PROFESSIONAL LIABILITY INSURANCE

   a. Professional Liability Coverage of $2,000,000 shall be maintained for one (1) year from the date of Substantial Completion. If the Consultant discontinues its business and if directed by Owner in writing, Consultant shall purchase such insurance in such amount for an extended discovery period beyond the one (1) year after the date of Substantial Completion, with the premium cost to be a reimbursable expense paid by the Owner. The limit of liability for such policy may not be reduced below $2,000,000 without the Owner giving its prior, written consent. All policies of insurance that Consultant is required under the terms of this Exhibit C Owner's Insurance to secure and maintain shall bear the endorsement "Not to be canceled until sixty (60) calendar days after Owner has received a written notice from insurer as evidence by a return receipt of registered or certified mail."

   b. The Owner shall not be responsible for obtaining or paying premiums or other expenses in connection with insurance required to be carried under the Agreement or normally carried by the Consultant's consultants, and the obligation to obtain such insurance and to pay such premiums and other expenses shall be solely that of the Consultant.

   c. The Consultant shall bear all the costs of any and all deductible amounts under any insurance policies required to be carried under the Agreement and shall remain solely and fully liable for the full amount of any claim or item not compensated by insurance (to the extent that any amount resulted from damages that arose out of the Consultant's sole negligence.)

4. COVERAGE
   The coverage's referred to above are set forth in full in the respective policy forms, and the foregoing descriptions of such policies are not intended to be complete.

5. GENERALLY

   a. The Consultant thereby represents and warrants to the Owner that, as of the date of the execution of the Agreement, the Consultant is not aware of any claims or potential claims which have been made, filed or threatened against any of the insurance or for damages covered by any of the insurance required to be carried under the Agreement that would affect the Consultant's ability to provide the insurance coverage required by this agreement.

b. It is understood that the provisions in the Agreement requiring the Consultant to carry insurance shall not be construed as in any manner waiving or restricting the liability of the Consultant as to any obligations imposed under the Agreement, including, but not limited to, obligations imposed under the provisions of Article 11 of the AIA A201-2017 General Conditions.

Insurance requirements for Contractors

1. CONTRACTOR'S INSURANCE – to be used with AIA A101-2017
   The Contractor shall at its own expense maintain in effect at all times during the performance of the Work under the Agreement at least the following coverage and limits of insurance:

   a. Commercial General Liability

      i. General Aggregate $1,500,000

      ii. Products/Completed Operations Aggregate $1,500,000

      iii. Per Occurrence $1,500,000

      The Owner shall be named as additional insured for Commercial General Liability Insurance

   b. Automobile Insurance

      i. Per Occurrence $1,000,000

      ii. PIP Basic

      iii. Underinsured Motorist $1,000,000

      iv. Uninsured Motorist $1,000,000

   c. Workers Compensation

      i. Coverage A is statutory.

      ii. Coverage B $500,000 Each Accident

      iii. $500,000 Each Employee

d. Professional Liability (if the Contractor is hiring professionals)

   i. Per Claim $2,000,000

   For Projects with an estimated construction cost of over $10,000,000 or major structural work, additional Aggregate coverage of $4,000,000 is required.

e. Manned or Unmanned Aircraft Coverage (if used)

   i. Per Claim $1,000,000

   ii. Aggregate $1,000,000

f. Property Insurance

   i. Per Claim $1,000,000

   ii. Aggregate $1,000,000

   This insurance is only required for materials stored offsite and not incorporated into the project at delivery. For material stored on site, no additional insurance is required.

g. Builders “all risk” Insurance

   i. Per Claim $2,000,000

   ii. Aggregate $4,000,000

   This insurance is only required for additions exceeding $10,000,000. Renovations to existing schools are not required to have builders all risk insurance.

h. Umbrella Liability

   i. Aggregate limit $5,000,000

   This insurance is required only for projects larger than $10,000,000 in total construction costs.

Exhibit D – Project Schedule

Project Name and Number

MPS Project Number: 19MULTI002, Official Publication No. 23-2306

Project Name: Multi-Site Lighting Upgrades

School: Harrison Education Center
Address: 501 Irving Avenue North
Minneapolis, MN 55405

School: River Bend Education Center
Address: 1510 Glenwood Avenue
Minneapolis, MN 55405

OP#: 23-2306

Description

Replace existing lighting throughout Harrison Education Center and River Bend Education Center with new LED fixtures, lighting controls, and associated work per the project plans and specifications.

Schedule

Substantial Completion

The Work will be substantially complete on or before August 1, 2023.

Final Completion

On or before August 15, 2023.

AIA® Document E203™ – 2013

Building Information Modeling and Digital Data Exhibit

This Exhibit dated the Fourth day of November in the year Two Thousand Twenty-Two is incorporated into the agreement (the "Agreement") between the Parties for the following Project:
(Name and location or address of the Project)

Multi-Site Lighting Upgrades

Harrison Education Center
501 Irving Avenue North
Minneapolis, MN 55405

River Bend Education Center
1510 Glenwood Avenue
Minneapolis, MN 55405

TABLE OF ARTICLES

1 GENERAL PROVISIONS

2 TRANSMISSION AND OWNERSHIP OF DIGITAL DATA

3 DIGITAL DATA PROTOCOLS

4 BUILDING INFORMATION MODELING PROTOCOLS

5 OTHER TERMS AND CONDITIONS

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 This Exhibit provides for the establishment of protocols for the development, use, transmission, and exchange of Digital Data for the Project. If Building Information Modeling will be utilized, this Exhibit also provides for the establishment of the protocols necessary to implement the use of Building Information Modeling on the Project, including protocols that establish the expected Level of Development for Model Elements at various milestones of the Project, and the associated Authorized Uses of the Building Information Models.

§ 1.2 The Parties agree to incorporate this Exhibit into their agreements with any other Project Participants that may develop or make use of Digital Data on the Project. Prior to transmitting or allowing access to Digital Data, a Party may require any Project Participant to provide reasonable evidence that it has incorporated this Exhibit into its agreement for the Project,.

§ 1.2.1 The Parties agree that each of the Project Participants utilizing Digital Data on the Project is an intended third party beneficiary of the Section 1.2 obligation to incorporate this Exhibit into agreements with other Project Participants, and any rights and defenses associated with the enforcement of that obligation. This Exhibit does not create any third-party beneficiary rights other than those expressly identified in this Section 1.2.1.

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 intended to be incorporated into an agreement between the parties and used in conjunction with AIA Documents G201™–2013, Project Digital Data Protocol Form, and G202™–2013, Building Information Modeling Protocol Form. It is anticipated that other Project Participants will incorporate a project specific E203–2013 into their agreements, and that the Parties and other Project Participants will set forth the agreed-upon protocols in AIA Documents G201–2013 and G202–2013.

Init.
/

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

§ 1.3 Adjustments to the Agreement

§ 1.3.1 If a Party believes that protocols established pursuant to Sections 3.2 or 4.5, and will result in a change in the Party's scope of work or services warranting an adjustment in compensation, contract sum, schedule or contract time, the Party shall notify the other Party. Failure to provide notice as required in this Section 1.3 shall result in a Party's waiver of any claims for adjustments in compensation, contract sum, schedule or contract time as a result of the established protocols.

§ 1.3.2 Upon such notice, the Parties shall discuss and negotiate revisions to the protocols or discuss and negotiate any adjustments in compensation, contract sum, schedule or contract time in accordance with the terms of the Agreement.

§ 1.3.3 Notice required under this Section 1.3 shall be provided within thirty days of receipt of the protocols, unless otherwise indicated below:
(If the Parties require a notice period other than thirty days from receipt of the protocols, indicate the notice period below.)

§ 1.4 Definitions

§ 1.4.1 Building Information Model. A Building Information Model is a digital representation of the Project, or a portion of the Project, and is referred to in this Exhibit as the "Model," which term may be used herein to describe a Model Element, a single model or multiple models used in the aggregate, as well as other data sets .

§ 1.4.2 Building Information Modeling. Building Information Modeling or Modeling means the process used to create the Model.

§ 1.4.3 Model Element. A Model Element is a portion of the Model representing a component, system or assembly within a building or building site.

§ 1.4.4 Level of Development. The Level of Development (LOD) describes the minimum dimensional, spatial, quantitative, qualitative, and other data included in a Model Element to support the Authorized Uses associated with such LOD.

§ 1.4.5 Authorized Uses. The term "Authorized Uses" refers to the permitted uses of Digital Data authorized in the Digital Data and/or Building Information Modeling protocols established pursuant to the terms of this Exhibit.

§ 1.4.6 Model Element Author. The Model Element Author is the entity (or individual) responsible for managing and coordinating the development of a specific Model Element to the LOD required for an identified Project milestone, regardless of who is responsible for providing the content in the Model Element. 3.

§ 1.4.7 Digital Data. Digital Data is information, including communications, drawings, specifications and designs, created or stored for the Project in digital form. Unless otherwise stated, the term Digital Data includes the Model.

§ 1.4.8 Confidential Digital Data. Confidential Digital Data is Digital Data containing confidential or business proprietary information that the transmitting party designates and clearly marks as "confidential."

§ 1.4.9 Written or In Writing. In addition to any definition in the Agreement to which this Exhibit is attached, for purposes of this Exhibit and the Agreement, "written" or "in writing" shall mean any communication prepared and sent using a transmission method set forth in this Exhibit, or the protocols developed pursuant to this Exhibit, that permits the recipient to print the communication.

§ 1.4.10 Written Notice. In addition to any terms in the Agreement to which this Exhibit is attached, for purposes of this Exhibit and the Agreement, "written notice" shall be deemed to have been duly served if transmitted electronically to an address provided in this Exhibit or the Agreement using a transmission method set forth in this Exhibit that permits the recipient to print the communication.

§ 1.4.11 Party and Parties. The terms "Party" and "Parties" refer to the signing parties to the Agreement.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

§ 1.4.12 Project Participant. A Project Participant is an entity (or individual) providing services, work, equipment or materials on the Project and includes the Parties.

ARTICLE 2 TRANSMISSION AND OWNERSHIP OF DIGITAL DATA

§ 2.1 The transmission of Digital Data constitutes a warranty by the Party transmitting Digital Data to the Party receiving Digital Data that the transmitting Party is the copyright owner of the Digital Data, or otherwise has permission to transmit the Digital Data for its use on the Project in accordance with the Authorized Uses of Digital Data established pursuant to the terms of this Exhibit.

§ 2.2 If a Party transmits Confidential Digital Data, the transmission of such Confidential Digital Data constitutes a warranty to the Party receiving such Confidential Digital Data that the transmitting Party is authorized to transmit the Confidential Digital Data. If a Party receives Confidential Digital Data, the receiving Party shall keep the Confidential Digital Data strictly confidential and shall not disclose it to any other person or entity except as set forth in Section 2.2.1.

§ 2.2.1 The receiving Party may disclose Confidential Digital Data as required by law or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity. The receiving Party may also disclose the Confidential Digital Data to its employees, consultants or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of Confidential Digital Data as set forth in this Exhibit.

§ 2.3 By transmitting Digital Data, the transmitting Party does not convey any ownership right in the Digital Data or in the software used to generate the Digital Data. Unless otherwise granted in a separate license, the receiving Party's right to use, modify, or further transmit Digital Data is specifically limited to designing, constructing, using, maintaining, altering and adding to the Project consistent with the terms of this Exhibit, and nothing contained in this Exhibit conveys any other right to use the Digital Data.

§ 2.4 Where a provision in this Article 2 conflicts with a provision in the Agreement into which this Exhibit is incorporated, the provision in this Article 2 shall prevail.

ARTICLE 3 DIGITAL DATA PROTOCOLS

§ 3.1 Anticipated Types of Digital Data. The anticipated types of Digital Data to be used on the Project are as follows:
(Indicate below the information on the Project that shall be created and shared in a digital format. If the Parties indicate that Building Information Modeling will be utilized on the Project, the Parties shall also complete Article 4.)

Anticipated Digital Data	Applicability to the Project *(Indicate Applicable or Not Applicable)*	Location of Detailed Description *(Section 3.1.1 below or in an attachment to this exhibit and identified below)*
Project Agreements and Modifications	Applicable	MPS Central Files
Project communications	Applicable	MPS Central Files
Architect's pre-construction submittals	Applicable	MPS Central Files
Contract Documents	Applicable	MPS Central Files
Contractor's submittals	Applicable	Contractor/Architect
Subcontractor's submittals	Applicable	Contractor/Architect
Modifications	Applicable	Architect
Project payment documents	Applicable	MPS Central Files
Notices and claims	Applicable	MPA Central Files
Building Information Modeling	Applicable	Architect
All other construction related documents	Applicable	Contractor

§ 3.1.1 Insert a detailed description of the anticipated Digital Data identified in Section 3.1, if not further described in an attachment to this Exhibit.

MPS Central files are the digital project files kept on the MPS server

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

§ 3.2 As soon as practical following execution of the Agreement, the Parties shall further describe the uses of Digital Data, and establish necessary protocols governing the transmission and Authorized Uses of Digital Data, in consultation with the other Project Participants that are expected to utilize Digital Data on the Project.

§ 3.2.1 Unless another Project Participant is identified below, the Architect shall prepare and distribute to the other Project Participants Digital Data protocols for review, revision and approval.
(If a Project Participant other than the Architect shall be responsible for preparing draft and final Digital Data protocols, identify that Project Participant.)

(Paragraph deleted)
§ .

§ 3.2.3 The Parties, together with the other Project Participants, shall review and, if necessary, revise the Digital Data protocols at appropriate intervals as required by the conditions of the Project.

§ 3.3 The Parties shall transmit, use, store and archive Digital Data in accordance with the Digital Data protocols.

§ 3.4 Unauthorized Use

§ 3.4.1 Prior to Establishment of Digital Data Protocols

If a Party receives Digital Data prior to the agreement to, and documentation of, the Digital Data protocols in AIA Document G201–2013, that Party is not authorized to use or rely on the Digital Data. Any use of, or reliance on, such Digital Data is at that Party's sole risk and without liability to the other Party and its contractors, consultants, agents and employees.

§ 3.4.2 Following Establishment of Digital Data Protocols

Following agreement to, and documentation of, the Digital Data protocols, if a Party uses Digital Data inconsistent with the Authorized Uses identified in the Digital Data protocols, that use shall be at the sole risk of the Party using the Digital Data.

§ 3.5 Digital Data Management

§ 3.5.1 Centralized electronic document management system use on the Project shall be:
(Check the appropriate box. If the Parties do not check one of the boxes below, the default selection shall be that the Parties will not utilize a centralized electronic document management system on the Project.)

[X] The Parties intend to use a centralized electronic document management system on the Project.

[ ] The Parties do not intend to use a centralized electronic document management system on the Project.

§ 3.5.2 If the Project Participants intend to utilize a centralized electronic document management system on the Project, the Project Participants identified in Section 3.5.3 shall be responsible for managing and maintaining such system. The Project Participants responsible for managing and maintaining the centralized electronic document management system shall facilitate the establishment of protocols for transmission, use, storage and archiving of the centralized Digital Data and assist the Project Participants identified in Section 3.2.1 above in preparing Digital Data protocols. Upon agreement to, and documentation of, the Digital Data protocols, the Project Participants identified in Section 3.5.3 shall manage and maintain the centralized electronic document management system consistent with the management protocols set forth d by the Project Participants.

§ 3.5.3 Unless responsibility is assigned to another Project Participant, the Architect shall be responsible for managing and maintaining the centralized electronic document management system. If the responsibility for management and maintenance will be assigned to another Project Participant at an identified Project milestone, indicate below the Project Participant who shall assume that responsibility, and the Project milestone.
(Identify the Project Participant responsible for management and maintenance only if the Parties intend to utilize a centralized electronic document management system on the Project.)

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

Responsible Project Participant	Project Milestone
Contractor	Project Construction begins

ARTICLE 4 BUILDING INFORMATION MODELING PROTOCOLS

§ 4.1 If the Parties indicate in Section 3.1 that Building Information Modeling will be used on the Project, specify below the extent to which the Parties intend to utilize Building Information Modeling and identify the provisions of this Article 4 governing such use:

[ ] The Parties shall utilize Building Information Modeling on the Project for the sole purpose of fulfilling the obligations set forth in the Agreement without an expectation that the Model will be relied upon by the other Project Participants. Unless otherwise agreed in writing, any use of, transmission of, or reliance on the Model is at the receiving Party's sole risk. The remaining sections of this Article 4 shall have no force or effect.

[X] The Parties shall develop, share, use and rely upon the Model in accordance with Sections 4.2 through 4.10 of this Exhibit.

§ 4.2 Anticipated Building Information Modeling Scope. Indicate below the portions of the Project for which Modeling will be used and the anticipated Project Participant responsible for that Modeling.

Project Portion for Modeling	Responsible Project Participant
Project design	Architect

§ 4.3 Anticipated Model Authorized Uses. Indicate below the anticipated Authorized Uses of the Model for the Project, which Authorized Uses will be agreed upon by the Project Participants.

Authorized users of the model are defined in Article 7 of the AIA B101 agreement

§ 4.4 Ancillary Modeling Activities. Indicate additional Modeling activities agreed upon by the Parties, but not to be included in AIA Document G202–2013, if any.
(Describe any Modeling activities, such as renderings, animations, performance simulations, or other similar use, including the anticipated amount and scope of any such Modeling activities.)

Defined in Exhibit B Project Milestones & Deliverables of the AIA B101 agreement

§ 4.5 Modeling Protocols. As soon as practical following execution of the Agreement, the Parties shall, in consultation with the other Project Participants that are expected to utilize Building Information Modeling on the Project, further describe the Authorized Uses of the Model and establish necessary protocols governing the development of the Model utilizing AIA Document G202–2013.

§ 4.5.1 The Modeling protocols shall address the following:

.1 Identification of the Model Element Authors;
.2 Definition of the various LOD for the Model Elements and the associated Authorized Uses for each defined LOD;
.3 Identification of the required LOD of each Model Element at each identified Project milestone;
.4 Identification of the construction classification systems to be used on the Project;
.5 The process by which Project Participants will exchange and share the Model at intervals not reflected in Section 3.3, Model Element Table, of AIA Document G202–2013;
.6 The process by which the Project Participants will identify, coordinate and resolve changes to the Model;
.7 Details regarding any anticipated as-designed or as-constructed Authorized Uses for the Model, if required on the Project;
.8 Anticipated Authorized Uses for facilities management or otherwise, following completion of the Project; and
.9 Other topics to be addressed by the Modeling protocols: *(Identify additional topics to be addressed by the Modeling Protocols.)*

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

§ 4.5.2 Unless responsibility is assigned to another Project Participant identified below, the Architect shall prepare and distribute Modeling protocols to the other Project Participants for review, revision and approval.
(If a Project Participant other than the Architect shall be responsible for preparing draft and final Modeling protocols, identify that Project Participant.)

None

(Paragraph deleted)
§ .

§ 4.5.4 The Parties, together with the other Project Participants, shall review, and if necessary, revise the Modeling protocols at appropriate intervals as required by the conditions of the Project.

§ 4.6 The Parties shall develop, use and rely on the Model in accordance with the Modeling protocols set forth in the latest version of AIA Document G202–2013, which document shall be included in or attached to the Model in a manner clearly accessible to the Project Participants.

§ 4.7 Unauthorized Use
§ 4.7.1 Prior to Establishment of Modeling Protocols
If a Party receives any Model prior to the agreement to, and documentation of, the Modeling protocols in AIA Document G202–2013, that Party is not authorized to use, transmit, or rely on the Model. Any use, transmission or reliance is at that Party's sole risk and without liability to the other Party and its contractors, consultants, agents and employees.

§ 4.7.2 Following Establishment of Modeling Protocols
Following agreement to, and documentation of, the Modeling protocols, if a Party uses or relies on the Model inconsistent with the Authorized Uses identified in the Modeling protocols, such use or reliance shall be at the sole risk of the Party using or relying on the Model. A Party may rely on the Model Element only to the extent consistent with the minimum data required for the identified LOD, even if the content of a specific Model Element includes data that exceeds the minimum data required for the identified LOD.

§ 4.8 Model Management
§ 4.8.1 The requirements for managing the Model include the duties set forth in this Section 4.8. Unless assigned to another Project Participant, the Architect shall manage the Model from the inception of the Project. If the responsibility for Model management will be assigned to another Project Participant, or change at an identified Project milestone, indicate below the identity of the Project Participant who will assume that responsibility, and the Project milestone.

Responsible Project Participant	Project Milestone

§ 4.8.2 Model Management Protocol Establishment. The Project Participant responsible for managing the Model, in consultation with the other Project Participants that are expected to utilize Building Information Modeling on the Project, shall facilitate the establishment and revision of Model management protocols, including the following:

.1 Model origin point, coordinate system, precision, file formats and units. The model shall be accurately geo-located to agreed upon reference datum
.2 Model file storage location(s)
.3 Processes for transferring and accessing Model files
.4 Naming conventions as defined in the Owner's Revise and Drafting Standards document.
.5 Processes for aggregating Model files from varying software platforms
.6 Model access rights
.7 Identification of design coordination and clash detection procedures.
.8 Model security requirements
.9 Other: *(Identify additional Model management protocols to be addressed.)*

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

Project participants responsible for the model shall use the MPS Revit template and comply with MPS Revit and Drafting standards.

§ 4.8.3 Ongoing Responsibilities. The Project Participant responsible for managing the Model shall do so consistent with the Model management protocols, which shall also include the following ongoing responsibilities:

.1 Collect incoming Models:
- **.1** Coordinate submission and exchange of Models
- **.2** Create and maintain a log of Models received
- **.3** Review Model files for consistency with Sections 4.8.2.1 through 4.8.2.5
- **.4** Maintain a record copy of each Model file received

.2 Aggregate Model files and make them available for Authorized Uses
.3 Maintain Model Archives and backups consistent with the requirements of Section 4.8.4 below
.4 Manage Model access rights
.5 Other: *(Identify additional responsibilities.)*

§ 4.8.4 Model Archives. The individual or entity responsible for Model management as set forth in this Section 4.8 shall compile a Model Archive at the end of each Project milestone and shall preserve it without alteration as a record of Model completion as of that Project milestone.

§ 4.8.4.1 Additional Model Archive requirements, if any, are as follows:

§ 4.8.4.2 The procedures for storing and preserving the Model(s) upon final completion of the Project are as follows:

Transmit to MPS the model in PDF, Revit and autocad

§ 4.9 Post-Construction Model. The services associated with providing a Model for post-construction use shall only be required if specifically designated in the table below as a Party's responsibility.
(Designate below any anticipated post-construction Model and related requirements, the Project Participant responsible for creating or adapting the Model to achieve such uses, and the location of a detailed description of the anticipated scope of services to create or adapt the Model as necessary to achieve such uses.)

Post-Construction Model	Applicability to Project *(Applicable or Not Applicable)*	Responsible Project Participant	Location of Detailed Description of Requirements and Services *(Section 4.10 below or in an attachment to this exhibit and identified below)*
§ 4.9.1 Remodeling	Applicable	Owner	
§ 4.9.2 Wayfinding and Mapping	Applicable	Architect	
§ 4.9.3 Asset/FF & E Management	Applicable	Owner	
§ 4.9.4 Energy Management	Applicable	Owner	
§ 4.9.5 Space Management	Applicable	Owner	
§ 4.9.6 Maintenance Management	Applicable	Owner	

§ 4.10 Insert a detailed description of the requirements for each Post-Construction Model identified in Section 4.9 and the anticipated services necessary to create each Post-Construction Model, if not further described in an attachment to this Exhibit.

As part of Basic Services, the Architect shall produce wayfinding floor plans for use by the Owner. Floor plans shall be provided in PDF and Autocad formats.

ARTICLE 5 OTHER TERMS AND CONDITIONS

Other terms and conditions related to the transmission and use of Digital Data are as follows:

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

As part of Basic Services, the Architect shall provide the Owner with REVIT files that were created for the project. The files shall include the as designed project.

AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

Additions and Deletions Report for

AIA® Document E203™ – 2013

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 08:39:48 CT on 11/10/2022.

PAGE 1

This Exhibit dated the Fourth day of November in the year Two Thousand Twenty-Two is incorporated into the agreement (the "Agreement") between the Parties for the following Project:
(Name and location or address of the Project)

Multi-Site Lighting Upgrades

Harrison Education Center
501 Irving Avenue North
Minneapolis, MN 55405

River Bend Education Center
1510 Glenwood Avenue
Minneapolis, MN 55405

...

§ 1.2 The Parties agree to incorporate this Exhibit into their agreements with any other Project Participants that may develop or make use of Digital Data on the Project. Prior to transmitting or allowing access to Digital Data, a Party may require any Project Participant to provide reasonable evidence that it has incorporated this Exhibit into its agreement for the ~~Project, and agreed to the most recent Project specific versions of AIA Document G201™–2013, Project Digital Data Protocol Form and AIA Document G202™–2013, Project Building Information Modeling Protocol Form.~~ Project,.

PAGE 2

§ 1.3.1 If a Party believes that protocols established pursuant to Sections 3.2 or 4.5, and ~~memorialized in AIA Documents G201–2013 and G202–2013,~~ will result in a change in the Party's scope of work or services warranting an adjustment in compensation, contract sum, schedule or contract time, the Party shall notify the other Party. Failure to provide notice as required in this Section 1.3 shall result in a Party's waiver of any claims for adjustments in compensation, contract sum, schedule or contract time as a result of the established protocols.

...

§ 1.4.1 Building Information Model. A Building Information Model is a digital representation of the Project, or a portion of the Project, and is referred to in this Exhibit as the "Model," which term may be used herein to describe a Model Element, a single model or multiple models used in the aggregate, as well as other data sets ~~identified in AIA Document G202–2013, Project Building Information Modeling Protocol Form.~~ .

...

§ 1.4.6 Model Element Author. The Model Element Author is the entity (or individual) responsible for managing and coordinating the development of a specific Model Element to the LOD required for an identified Project milestone,

Additions and Deletions Report for AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

regardless of who is responsible for providing the content in the Model Element. ~~Model Element Authors are to be identified in Section 3.3, Model Element Table, of AIA Document G202–2013.~~3.

PAGE 3

Project Agreements and Modifications	Applicable	MPS Central Files
Project communications	Applicable	MPS Central Files
Architect's pre-construction submittals	Applicable	MPS Central Files
Contract Documents	Applicable	MPS Central Files
Contractor's submittals	Applicable	Contractor/Architect
Subcontractor's submittals	Applicable	Contractor/Architect
Modifications	Applicable	Architect
Project payment documents	Applicable	MPS Central Files
Notices and claims	Applicable	MPA Central Files
Building Information Modeling	Applicable	Architect
All other construction related documents	Applicable	Contractor

...

MPS Central files are the digital project files kept on the MPS server

PAGE 4

§ 3.2.2 ~~The agreed upon Digital Data protocols shall be set forth in AIA Document G201–2013 and each Project Participant shall memorialize their agreement in writing to such Digital Data protocols.~~

§ .

§ 3.3 The Parties shall transmit, use, store and archive Digital Data in accordance with the Digital Data ~~protocols set forth in the latest version of AIA Document G201–2013 agreed to by the Project Participants.~~ protocols.

...

Following agreement to, and documentation of, the Digital Data ~~protocols in AIA Document G201–2013,~~ protocols, if a Party uses Digital Data inconsistent with the Authorized Uses identified in the Digital Data protocols, that use shall be at the sole risk of the Party using the Digital Data.

...

[**X**] The Parties intend to use a centralized electronic document management system on the Project.

...

§ 3.5.2 If the Project Participants intend to utilize a centralized electronic document management system on the Project, the Project Participants identified in Section 3.5.3 shall be responsible for managing and maintaining such system. The Project Participants responsible for managing and maintaining the centralized electronic document management system shall facilitate the establishment of protocols for transmission, use, storage and archiving of the centralized Digital Data and assist the Project Participants identified in Section 3.2.1 above in preparing Digital Data protocols. Upon agreement to, and documentation of, the Digital Data ~~protocols in AIA Document G201–2013,~~ protocols, the Project Participants identified in Section 3.5.3 shall manage and maintain the centralized electronic document management system consistent with the management protocols set forth ~~in the latest version of G201–2013 approved~~ d by the Project Participants.

PAGE 5

Contractor Project Construction begins

...

Additions and Deletions Report for AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

[X] The Parties shall develop, share, use and rely upon the Model in accordance with Sections 4.2 through 4.10 of this Exhibit.

...

Project design Architect

§ 4.3 Anticipated Model Authorized Uses. Indicate below the anticipated Authorized Uses of the Model for the Project, which Authorized Uses will be agreed upon by the Project ~~Participants and further described for each LOD in AIA Document G202–2013.~~

Participants.

Authorized users of the model are defined in Article 7 of the AIA B101 agreement

...

Defined in Exhibit B Project Milestones & Deliverables of the AIA B101 agreement

PAGE 6

None

~~**§ 4.5.3** The agreed upon Modeling protocols shall be set forth in AIA Document G202–2013 and each Project Participant shall memorialize their agreement in writing to such Modeling protocols.~~

§ .

...

Following agreement to, and documentation of, the Modeling ~~protocols in AIA Document G202–2013,~~ protocols, if a Party uses or relies on the Model inconsistent with the Authorized Uses identified in the Modeling protocols, such use or reliance shall be at the sole risk of the Party using or relying on the Model. A Party may rely on the Model Element only to the extent consistent with the minimum data required for the identified LOD, even if the content of a specific Model Element includes data that exceeds the minimum data required for the identified LOD.

...

.1 Model origin point, coordinate system, precision, file formats and ~~units~~units. The model shall be accurately geo-located to agreed upon reference datum

...

.4 Naming conventions as defined in the Owner's Revise and Drafting Standards document.

PAGE 7

Project participants responsible for the model shall use the MPS Revit template and comply with MPS Revit and Drafting standards.

...

Transmit to MPS the model in PDF, Revit and autocad

...

§ 4.9.1	Remodeling	Applicable	Owner	
§ 4.9.2	Wayfinding and Mapping	Applicable	Architect	

Additions and Deletions Report for AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

§ 4.9.3	Asset/FF & E Management	Applicable	Owner	
§ 4.9.4	Energy Management	Applicable	Owner	
§ 4.9.5	Space Management	Applicable	Owner	
§ 4.9.6	Maintenance Management	Applicable	Owner	

...

As part of Basic Services, the Architect shall produce wayfinding floor plans for use by the Owner. Floor plans shall be provided in PDF and Autocad formats.

PAGE 8

As part of Basic Services, the Architect shall provide the Owner with REVIT files that were created for the project. The files shall include the as designed project.

Additions and Deletions Report for AIA Document E203™ – 2013. Copyright © 2013 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Jessica Pavelka, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 08:39:48 CT on 11/10/2022 under Order No. 2114296869 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document E203™ – 2013, Building Information Modeling and Digital Data Exhibit, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.



(Signed)

Executive Director

(Title)

11/10/2022

(Dated)

AIA Document D401™ – 2003. Copyright © 1992 and 2003 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 08:39:48 CT on 11/10/2022 under Order No.2114296869 which expires on 03/15/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1181700711)

AIA® Document A201™ – 2017

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

THE OWNER:
(Name, legal status and address)

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

THE ARCHITECT:
(Name, legal status and address)

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.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, Guide for Supplementary Conditions.

TABLE OF ARTICLES

1 GENERAL PROVISIONS

2 OWNER

3 CONTRACTOR

4 ARCHITECT

5 SUBCONTRACTORS

6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

7 CHANGES IN THE WORK

8 TIME

9 PAYMENTS AND COMPLETION

10 PROTECTION OF PERSONS AND PROPERTY

11 INSURANCE AND BONDS

12 UNCOVERING AND CORRECTION OF WORK

13 MISCELLANEOUS PROVISIONS

14 TERMINATION OR SUSPENSION OF THE CONTRACT

15 CLAIMS AND DISPUTES

Init.
/

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

INDEX
(Topics and numbers 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
10
Acts and Omissions
3.2, 3.3.2, 3.12.8, 3.18, 4.2.3, 8.3.1, 9.5.1, 10.2.5, 10.2.8, 13.3.2, 14.1, 15.1.2, 15.2
Addenda
1.1.1
Additional Costs, Claims for
3.7.4, 3.7.5, 10.3.2, 15.1.5
Additional Inspections and Testing
9.4.2, 9.8.3, 12.2.1, 13.4
Additional Time, Claims for
3.2.4, 3.7.4, 3.7.5, 3.10.2, 8.3.2, 15.1.6
Administration of the Contract
3.1.3, 4.2, 9.4, 9.5
Advertisement or Invitation to Bid
1.1.1
Aesthetic Effect
4.2.13
Allowances
3.8
Applications for Payment
4.2.5, 7.3.9, 9.2, 9.3, 9.4, 9.5.1, 9.5.4, 9.6.3, 9.7, 9.10
Approvals
2.1.1, 2.3.1, 2.5, 3.1.3, 3.10.2, 3.12.8, 3.12.9, 3.12.10.1, 4.2.7, 9.3.2, 13.4.1
Arbitration
8.3.1, 15.3.2, 15.4
ARCHITECT
4
Architect, Definition of
4.1.1
Architect, Extent of Authority
2.5, 3.12.7, 4.1.2, 4.2, 5.2, 6.3, 7.1.2, 7.3.4, 7.4, 9.2, 9.3.1, 9.4, 9.5, 9.6.3, 9.8, 9.10.1, 9.10.3, 12.1, 12.2.1, 13.4.1, 13.4.2, 14.2.2, 14.2.4, 15.1.4, 15.2.1
Architect, Limitations of Authority and Responsibility
2.1.1, 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, 5.2.1, 7.4, 9.4.2, 9.5.4, 9.6.4, 15.1.4, 15.2
Architect's Additional Services and Expenses
2.5, 12.2.1, 13.4.2, 13.4.3, 14.2.4
Architect's Administration of the Contract
3.1.3, 3.7.4, 15.2, 9.4.1, 9.5
Architect's Approvals
2.5, 3.1.3, 3.5, 3.10.2, 4.2.7
Architect's Authority to Reject Work
3.5, 4.2.6, 12.1.2, 12.2.1
Architect's Copyright
1.1.7, 1.5
Architect's Decisions
3.7.4, 4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 6.3, 7.3.4, 7.3.9, 8.1.3, 8.3.1, 9.2, 9.4.1, 9.5, 9.8.4, 9.9.1, 13.4.2, 15.2
Architect's Inspections
3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 13.4
Architect's Instructions
3.2.4, 3.3.1, 4.2.6, 4.2.7, 13.4.2
Architect's Interpretations
4.2.11, 4.2.12
Architect's Project Representative
4.2.10
Architect's Relationship with Contractor
1.1.2, 1.5, 2.3.3, 3.1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2, 3.5, 3.7.4, 3.7.5, 3.9.2, 3.9.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.2, 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, 12, 13.3.2, 13.4, 15.2
Architect's Relationship with Subcontractors
1.1.2, 4.2.3, 4.2.4, 4.2.6, 9.6.3, 9.6.4, 11.3
Architect's Representations
9.4.2, 9.5.1, 9.10.1
Architect's Site Visits
3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.4
Asbestos
10.3.1
Attorneys' Fees
3.18.1, 9.6.8, 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
Binding Dispute Resolution
8.3.1, 9.7, 11.5, 13.1, 15.1.2, 15.1.3, 15.2.1, 15.2.5, 15.2.6.1, 15.3.1, 15.3.2, 15.3.3, 15.4.1
Bonds, Lien
7.3.4.4, 9.6.8, 9.10.2, 9.10.3
Bonds, Performance, and Payment
7.3.4.4, 9.6.7, 9.10.3, 11.1.2, 11.1.3, 11.5
Building Information Models Use and Reliance
1.8
Building Permit
3.7.1
Capitalization
1.3
Certificate of Substantial Completion
9.8.3, 9.8.4, 9.8.5

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Certificates for Payment
4.2.1, 4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7, 9.10.1, 9.10.3, 14.1.1.3, 14.2.4, 15.1.4
Certificates of Inspection, Testing or Approval
13.4.4
Certificates of Insurance
9.10.2
Change Orders
1.1.1, 3.4.2, 3.7.4, 3.8.2.3, 3.11, 3.12.8, 4.2.8, 5.2.3, 7.1.2, 7.1.3, 7.2, 7.3.2, 7.3.7, 7.3.9, 7.3.10, 8.3.1, 9.3.1.1, 9.10.3, 10.3.2, 11.2, 11.5, 12.1.2
Change Orders, Definition of
7.2.1
CHANGES IN THE WORK
2.2.2, 3.11, 4.2.8, 7, 7.2.1, 7.3.1, 7.4, 8.3.1, 9.3.1.1, 11.5
Claims, Definition of
15.1.1
Claims, Notice of
1.6.2, 15.1.3
CLAIMS AND DISPUTES
3.2.4, 6.1.1, 6.3, 7.3.9, 9.3.3, 9.10.4, 10.3.3, 15, 15.4
Claims and Timely Assertion of Claims
15.4.1
Claims for Additional Cost
3.2.4, 3.3.1, 3.7.4, 7.3.9, 9.5.2, 10.2.5, 10.3.2, 15.1.5
Claims for Additional Time
3.2.4, 3.3.1, 3.7.4, 6.1.1, 8.3.2, 9.5.2, 10.3.2, 15.1.6
Concealed or Unknown Conditions, Claims for
3.7.4
Claims for Damages
3.2.4, 3.18, 8.3.3, 9.5.1, 9.6.7, 10.2.5, 10.3.3, 11.3, 11.3.2, 14.2.4, 15.1.7
Claims Subject to Arbitration
15.4.1
Cleaning Up
3.15, 6.3
Commencement of the Work, Conditions Relating to
2.2.1, 3.2.2, 3.4.1, 3.7.1, 3.10.1, 3.12.6, 5.2.1, 5.2.3, 6.2.2, 8.1.2, 8.2.2, 8.3.1, 11.1, 11.2, 15.1.5
Commencement of the Work, Definition of
8.1.2
Communications
3.9.1, 4.2.4
Completion, Conditions Relating to
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, 14.1.2, 15.1.2
COMPLETION, PAYMENTS AND
9
Completion, Substantial
3.10.1, 4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3, 12.2, 15.1.2
Compliance with Laws
2.3.2, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 10.2.2, 13.1, 13.3, 13.4.1, 13.4.2, 13.5, 14.1.1, 14.2.1.3, 15.2.8, 15.4.2, 15.4.3
Concealed or Unknown Conditions
3.7.4, 4.2.8, 8.3.1, 10.3
Conditions of the Contract
1.1.1, 6.1.1, 6.1.4
Consent, Written
3.4.2, 3.14.2, 4.1.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 13.2, 15.4.4.2
Consolidation or Joinder
15.4.4
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, 3.4.2, 3.11, 3.12.8, 4.2.8, 7.1.1, 7.1.2, 7.1.3, 7.3, 9.3.1.1
Construction Schedules, Contractor's
3.10, 3.11, 3.12.1, 3.12.2, 6.1.3, 15.1.6.2
Contingent Assignment of Subcontracts
5.4, 14.2.2.2
Continuing Contract Performance
15.1.4
Contract, Definition of
1.1.2
CONTRACT, TERMINATION OR SUSPENSION OF THE
5.4.1.1, 5.4.2, 11.5, 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
Contract Documents, Copies Furnished and Use of
1.5.2, 2.3.6, 5.3
Contract Documents, Definition of
1.1.1
Contract Sum
2.2.2, 2.2.4, 3.7.4, 3.7.5, 3.8, 3.10.2, 5.2.3, 7.3, 7.4, 9.1, 9.2, 9.4.2, 9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.5, 12.1.2, 12.3, 14.2.4, 14.3.2, 15.1.4.2, 15.1.5, 15.2.5
Contract Sum, Definition of
9.1
Contract Time
1.1.4, 2.2.1, 2.2.2, 3.7.4, 3.7.5, 3.10.2, 5.2.3, 6.1.5, 7.2.1.3, 7.3.1, 7.3.5, 7.3.6, 7, 7, 7.3.10, 7.4, 8.1.1, 8.2.1, 8.2.3, 8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1, 12.1.2, 14.3.2, 15.1.4.2, 15.1.6.1, 15.2.5
Contract Time, Definition of
8.1.1
CONTRACTOR
3
Contractor, Definition of
3.1, 6.1.2
Contractor's Construction and Submittal Schedules
3.10, 3.12.1, 3.12.2, 4.2.3, 6.1.3, 15.1.6.2
Contractor's Employees

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

2.2.4, 3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.3, 14.1, 14.2.1.1
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, 11.3, 12.2.4
Contractor's Relationship with Subcontractors
1.2.2, 2.2.4, 3.3.2, 3.18.1, 3.18.2, 4.2.4, 5, 9.6.2, 9.6.7, 9.10.2, 11.2, 11.3, 11.4
Contractor's Relationship with the Architect
1.1.2, 1.5, 2.3.3, 3.1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2, 3.5.1, 3.7.4, 3.10, 3.11, 3.12, 3.16, 3.18, 4.2, 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, 12, 13.4, 15.1.3, 15.2.1
Contractor's Representations
3.2.1, 3.2.2, 3.5, 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, 5.3, 6.1.3, 6.2, 9.5.1, 10.2.8
Contractor's Review of Contract Documents
3.2
Contractor's Right to Stop the Work
2.2.2, 9.7
Contractor's Right to Terminate the Contract
14.1
Contractor's Submittals
3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 9.2, 9.3, 9.8.2, 9.8.3, 9.9.1, 9.10.2, 9.10.3
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, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 7.3.6, 8.2, 10, 12, 14, 15.1.4
Coordination and Correlation
1.2, 3.2.1, 3.3.1, 3.10, 3.12.6, 6.1.3, 6.2.1
Copies Furnished of Drawings and Specifications
1.5, 2.3.6, 3.11
Copyrights
1.5, 3.17
Correction of Work
2.5, 3.7.3, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, 12.2, 12.3, 15.1.3.1, 15.1.3.2, 15.2.1
Correlation and Intent of the Contract Documents
1.2
Cost, Definition of
7.3.4
Costs
2.5, 3.2.4, 3.7.3, 3.8.2, 3.15.2, 5.4.2, 6.1.1, 6.2.3, 7.3.3.3, 7.3.4, 7.3.8, 7.3.9, 9.10.2, 10.3.2, 10.3.6, 11.2, 12.1.2, 12.2.1, 12.2.4, 13.4, 14
Cutting and Patching
3.14, 6.2.5
Damage to Construction of Owner or Separate Contractors
3.14.2, 6.2.4, 10.2.1.2, 10.2.5, 10.4, 12.2.4
Damage to the Work
3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.4, 12.2.4
Damages, Claims for
3.2.4, 3.18, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.3.2, 11.3, 14.2.4, 15.1.7
Damages for Delay
6.2.3, 8.3.3, 9.5.1.6, 9.7, 10.3.2, 14.3.2
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
3.7.4, 4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 6.3, 7.3.4, 7.3.9, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.4.2, 14.2.2, 14.2.4, 15.1, 15.2
Decisions to Withhold Certification
9.4.1, 9.5, 9.7, 14.1.1.3
Defective or Nonconforming Work, Acceptance, Rejection and Correction of
2.5, 3.5, 4.2.6, 6.2.3, 9.5.1, 9.5.3, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1
Definitions
1.1, 2.1.1, 3.1.1, 3.5, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 5.1, 6.1.2, 7.2.1, 7.3.1, 8.1, 9.1, 9.8.1, 15.1.1
Delays and Extensions of Time
3.2, 3.7.4, 5.2.3, 7.2.1, 7.3.1, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.6, 15.2.5
Digital Data Use and Transmission
1.7
Disputes
6.3, 7.3.9, 15.1, 15.2
Documents and Samples at the Site
3.11
Drawings, Definition of
1.1.5
Drawings and Specifications, Use and Ownership of
3.11
Effective Date of Insurance
8.2.2
Emergencies
10.4, 14.1.1.2, 15.1.5
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, 10.3.3, 11.3, 14.1, 14.2.1.1
Equipment, Labor, or Materials
1.1.3, 1.1.6, 3.4, 3.5, 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, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.1, 14.2.1.2
Execution and Progress of the Work
1.1.3, 1.2.1, 1.2.2, 2.3.4, 2.3.6, 3.1, 3.3.1, 3.4.1, 3.7.1, 3.10.1, 3.12, 3.14, 4.2, 6.2.2, 7.1.3, 7.3.6, 8.2, 9.5.1, 9.9.1, 10.2, 10.3, 12.1, 12.2, 14.2, 14.3.1, 15.1.4
Extensions of Time
3.2.4, 3.7.4, 5.2.3, 7.2.1, 7.3, 7.4, 9.5.1, 9.7, 10.3.2, 10.4, 14.3, 15.1.6, 15.2.5

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Failure of Payment
9.5.1.3, 9.7, 9.10.2, 13.5, 14.1.1.3, 14.2.1.2
Faulty Work
(See Defective or Nonconforming Work)
Final Completion and Final Payment
4.2.1, 4.2.9, 9.8.2, 9.10, 12.3, 14.2.4, 14.4.3
Financial Arrangements, Owner's
2.2.1, 13.2.2, 14.1.1.4
GENERAL PROVISIONS
1
Governing Law
13.1
Guarantees (See Warranty)
Hazardous Materials and Substances
10.2.4, 10.3
Identification of Subcontractors and Suppliers
5.2.1
Indemnification
3.17, 3.18, 9.6.8, 9.10.2, 10.3.3, 11.3
Information and Services Required of the Owner
2.1.2, 2.2, 2.3, 3.2.2, 3.12.10.1, 6.1.3, 6.1.4, 6.2.5, 9.6.1, 9.9.2, 9.10.3, 10.3.3, 11.2, 13.4.1, 13.4.2, 14.1.1.4, 14.1.4, 15.1.4
Initial Decision
15.2
Initial Decision Maker, Definition of
1.1.8
Initial Decision Maker, Decisions
14.2.4, 15.1.4.2, 15.2.1, 15.2.2, 15.2.3, 15.2.4, 15.2.5
Initial Decision Maker, Extent of Authority
14.2.4, 15.1.4.2, 15.2.1, 15.2.2, 15.2.3, 15.2.4, 15.2.5
Injury or Damage to Person or Property
10.2.8, 10.4
Inspections
3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 12.2.1, 13.4
Instructions to Bidders
1.1.1
Instructions to the Contractor
3.2.4, 3.3.1, 3.8.1, 5.2.1, 7, 8.2.2, 12, 13.4.2
Instruments of Service, Definition of
1.1.7
Insurance
6.1.1, 7.3.4, 8.2.2, 9.3.2, 9.8.4, 9.9.1, 9.10.2, 10.2.5, 11
Insurance, Notice of Cancellation or Expiration
11.1.4, 11.2.3
Insurance, Contractor's Liability
11.1
Insurance, Effective Date of
8.2.2, 14.4.2
Insurance, Owner's Liability
11.2
Insurance, Property
10.2.5, 11.2, 11.4, 11.5
Insurance, Stored Materials
9.3.2
INSURANCE AND BONDS
11
Insurance Companies, Consent to Partial Occupancy
9.9.1
Insured loss, Adjustment and Settlement of
11.5
Intent of the Contract Documents
1.2.1, 4.2.7, 4.2.12, 4.2.13
Interest
13.5
Interpretation
1.1.8, 1.2.3, 1.4, 4.1.1, 5.1, 6.1.2, 15.1.1
Interpretations, Written
4.2.11, 4.2.12
Judgment on Final Award
15.4.2
Labor and Materials, Equipment
1.1.3, 1.1.6, 3.4, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.1, 14.2.1.2
Labor Disputes
8.3.1
Laws and Regulations
1.5, 2.3.2, 3.2.3, 3.2.4, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 9.9.1, 10.2.2, 13.1, 13.3.1, 13.4.2, 13.5, 14, 15.2.8, 15.4
Liens
2.1.2, 9.3.1, 9.3.3, 9.6.8, 9.10.2, 9.10.4, 15.2.8
Limitations, Statutes of
12.2.5, 15.1.2, 15.4.1.1
Limitations of Liability
3.2.2, 3.5, 3.12.10, 3.12.10.1, 3.17, 3.18.1, 4.2.6, 4.2.7, 6.2.2, 9.4.2, 9.6.4, 9.6.7, 9.6.8, 10.2.5, 10.3.3, 11.3, 12.2.5, 13.3.1
Limitations of Time
2.1.2, 2.2, 2.5, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2.7, 5.2, 5.3, 5.4.1, 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, 12.2, 13.4, 14, 15, 15.1.2, 15.1.3, 15.1.5
Materials, Hazardous
10.2.4, 10.3
Materials, Labor, Equipment and
1.1.3, 1.1.6, 3.4.1, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1.2, 10.2.4, 14.2.1.1, 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
2.1.2, 9.3.1, 9.3.3, 9.6.8, 9.10.2, 9.10.4, 15.2.8
Mediation
8.3.1, 15.1.3.2, 15.2.1, 15.2.5, 15.2.6, 15.3, 15.4.1, 15.4.1.1
Minor Changes in the Work
1.1.1, 3.4.2, 3.12.8, 4.2.8, 7.1, 7.4
MISCELLANEOUS PROVISIONS
13

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Modifications, Definition of
1.1.1
Modifications to the Contract
1.1.1, 1.1.2, 2.5, 3.11, 4.1.2, 4.2.1, 5.2.3, 7, 8.3.1, 9.7, 10.3.2
Mutual Responsibility
6.2
Nonconforming Work, Acceptance of
9.6.6, 9.9.3, 12.3
Nonconforming Work, Rejection and Correction of
2.4, 2.5, 3.5, 4.2.6, 6.2.4, 9.5.1, 9.8.2, 9.9.3, 9.10.4, 12.2
Notice
1.6, 1.6.1, 1.6.2, 2.1.2, 2.2.2., 2.2.3, 2.2.4, 2.5, 3.2.4, 3.3.1, 3.7.4, 3.7.5, 3.9.2, 3.12.9, 3.12.10, 5.2.1, 7.4, 8.2.2 9.6.8, 9.7, 9.10.1, 10.2.8, 10.3.2, 11.5, 12.2.2.1, 13.4.1, 13.4.2, 14.1, 14.2.2, 14.4.2, 15.1.3, 15.1.5, 15.1.6, 15.4.1
Notice of Cancellation or Expiration of Insurance
11.1.4, 11.2.3
Notice of Claims
1.6.2, 2.1.2, 3.7.4, 9.6.8, 10.2.8, 15.1.3, 15.1.5, 15.1.6, 15.2.8, 15.3.2, 15.4.1
Notice of Testing and Inspections
13.4.1, 13.4.2
Observations, Contractor's
3.2, 3.7.4
Occupancy
2.3.1, 9.6.6, 9.8
Orders, Written
1.1.1, 2.4, 3.9.2, 7, 8.2.2, 11.5, 12.1, 12.2.2.1, 13.4.2, 14.3.1
OWNER
2
Owner, Definition of
2.1.1
Owner, Evidence of Financial Arrangements
2.2, 13.2.2, 14.1.1.4
Owner, Information and Services Required of the
2.1.2, 2.2, 2.3, 3.2.2, 3.12.10, 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, 13.4.1, 13.4.2, 14.1.1.4, 14.1.4, 15.1.4
Owner's Authority
1.5, 2.1.1, 2.3.32.4, 2.5, 3.4.2, 3.8.1, 3.12.10, 3.14.2, 4.1.2, 4.2.4, 4.2.9, 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, 9.3.2, 9.5.1, 9.6.4, 9.9.1, 9.10.2, 10.3.2, 11.4, 11.5, 12.2.2, 12.3, 13.2.2, 14.3, 14.4, 15.2.7
Owner's Insurance
11.2
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
2.5, 14.2.2
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
2.4
Owner's Right to Suspend the Work
14.3
Owner's Right to Terminate the Contract
14.2, 14.4
Ownership and Use of Drawings, Specifications and Other Instruments of Service
1.1.1, 1.1.6, 1.1.7, 1.5, 2.3.6, 3.2.2, 3.11, 3.17, 4.2.12, 5.3
Partial Occupancy or Use
9.6.6, 9.9
Patching, Cutting and
3.14, 6.2.5
Patents
3.17
Payment, Applications for
4.2.5, 7.3.9, 9.2, 9.3, 9.4, 9.5, 9.6.3, 9.7, 9.8.5, 9.10.1, 14.2.3, 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, 9.10.1, 9.10.3, 14.1.1.3, 14.2.4
Payment, Failure of
9.5.1.3, 9.7, 9.10.2, 13.5, 14.1.1.3, 14.2.1.2
Payment, Final
4.2.1, 4.2.9, 9.10, 12.3, 14.2.4, 14.4.3
Payment Bond, Performance Bond and
7.3.4.4, 9.6.7, 9.10.3, 11.1.2
Payments, Progress
9.3, 9.6, 9.8.5, 9.10.3, 14.2.3, 15.1.4
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, 14.2.1.2
PCB
10.3.1
Performance Bond and Payment Bond
7.3.4.4, 9.6.7, 9.10.3, 11.1.2
Permits, Fees, Notices and Compliance with Laws
2.3.1, 3.7, 3.13, 7.3.4.4, 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, 8.2, 9.8, 9.9.1, 14.1.4, 15.1.4
Progress Payments
9.3, 9.6, 9.8.5, 9.10.3, 14.2.3, 15.1.4
Project, Definition of
1.1.4
Project Representatives

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

4.2.10
Property Insurance
10.2.5, 11.2
Proposal Requirements
1.1.1
PROTECTION OF PERSONS AND PROPERTY
10
Regulations and Laws
1.5, 2.3.2, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 9.9.1, 10.2.2, 13.1, 13.3, 13.4.1, 13.4.2, 13.5, 14, 15.2.8, 15.4
Rejection of Work
4.2.6, 12.2.1
Releases and Waivers of Liens
9.3.1, 9.10.2
Representations
3.2.1, 3.5, 3.12.6, 8.2.1, 9.3.3, 9.4.2, 9.5.1, 9.10.1
Representatives
2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.10, 13.2.1
Responsibility for Those Performing the Work
3.3.2, 3.18, 4.2.2, 4.2.3, 5.3, 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
3.2, 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, 2.4, 2.5, 3.5, 3.7.4, 3.15.2, 4.2.6, 5.3, 5.4, 6.1, 6.3, 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.1, 12.2.2, 12.2.4, 13.3, 14, 15.4
Royalties, Patents and Copyrights
3.17
Rules and Notices for Arbitration
15.4.1
Safety of Persons and Property
10.2, 10.4
Safety Precautions and Programs
3.3.1, 4.2.2, 4.2.7, 5.3, 10.1, 10.2, 10.4
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, Construction
3.10, 3.12.1, 3.12.2, 6.1.3, 15.1.6.2
Separate Contracts and Contractors
1.1.4, 3.12.5, 3.14.2, 4.2.4, 4.2.7, 6, 8.3.1, 12.1.2
Separate Contractors, Definition of
6.1.1
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
3.2.2, 3.3.3, 3.7.1, 3.7.4, 4.2, 9.9.2, 9.4.2, 9.10.1, 13.4
Site Visits, Architect's
3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.4
Special Inspections and Testing
4.2.6, 12.2.1, 13.4
Specifications, Definition of
1.1.6
Specifications
1.1.1, 1.1.6, 1.2.2, 1.5, 3.12.10, 3.17, 4.2.14
Statute of Limitations
15.1.2, 15.4.1.1
Stopping the Work
2.2.2, 2.4, 9.7, 10.3, 14.1
Stored Materials
6.2.1, 9.3.2, 10.2.1.2, 10.2.4
Subcontractor, Definition of
5.1.1
SUBCONTRACTORS
5
Subcontractors, Work by
1.2.2, 3.3.2, 3.12.1, 3.18, 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, 14.1, 14.2.1
Submittals
3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.4, 9.2, 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3
Submittal Schedule
3.10.2, 3.12.5, 4.2.7
Subrogation, Waivers of
6.1.1, 11.3
Substances, Hazardous
10.3
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, 12.2, 15.1.2
Substantial Completion, Definition of
9.8.1
Substitution of Subcontractors
5.2.3, 5.2.4
Substitution of Architect
2.3.3
Substitutions of Materials
3.4.2, 3.5, 7.3.8
Sub-subcontractor, Definition of
5.1.2
Subsurface Conditions
3.7.4
Successors and Assigns

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

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, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 8.2, 8.3.1, 9.4.2, 10, 12, 14, 15.1.4
Suppliers
1.5, 3.12.1, 4.2.4, 4.2.6, 5.2.1, 9.3, 9.4.2, 9.5.4, 9.6, 9.10.5, 14.2.1
Surety
5.4.1.2, 9.6.8, 9.8.5, 9.10.2, 9.10.3, 11.1.2, 14.2.2, 15.2.7
Surety, Consent of
9.8.5, 9.10.2, 9.10.3
Surveys
1.1.7, 2.3.4
Suspension by the Owner for Convenience
14.3
Suspension of the Work
3.7.5, 5.4.2, 14.3
Suspension or Termination of the Contract
5.4.1.1, 14
Taxes
3.6, 3.8.2.1, 7.3.4.4
Termination by the Contractor
14.1, 15.1.7
Termination by the Owner for Cause
5.4.1.1, 14.2, 15.1.7
Termination by the Owner for Convenience
14.4
Termination of the Architect
2.3.3
Termination of the Contractor Employment
14.2.2

TERMINATION OR SUSPENSION OF THE CONTRACT
14
Tests and Inspections
3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 10.3.2, 12.2.1, 13.4
TIME
8
Time, Delays and Extensions of
3.2.4, 3.7.4, 5.2.3, 7.2.1, 7.3.1, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.6, 15.2.5
Time Limits
2.1.2, 2.2, 2.5, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2, 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, 12.2, 13.4, 14, 15.1.2, 15.1.3, 15.4
Time Limits on Claims
3.7.4, 10.2.8, 15.1.2, 15.1.3
Title to Work
9.3.2, 9.3.3
UNCOVERING AND CORRECTION OF WORK
12
Uncovering of Work
12.1
Unforeseen Conditions, Concealed or Unknown
3.7.4, 8.3.1, 10.3
Unit Prices
7.3.3.2, 9.1.2
Use of Documents
1.1.1, 1.5, 2.3.6, 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
13.3.2
Waiver of Claims by the Contractor
9.10.5, 13.3.2, 15.1.7
Waiver of Claims by the Owner
9.9.3, 9.10.3, 9.10.4, 12.2.2.1, 13.3.2, 14.2.4, 15.1.7
Waiver of Consequential Damages
14.2.4, 15.1.7
Waiver of Liens
9.3, 9.10.2, 9.10.4
Waivers of Subrogation
6.1.1, 11.3
Warranty
3.5, 4.2.9, 9.3.3, 9.8.4, 9.9.1, 9.10.2, 9.10.4, 12.2.2, 15.1.2
Weather Delays
8.3, 15.1.6.2
Work, Definition of
1.1.3
Written Consent
1.5.2, 3.4.2, 3.7.4, 3.12.8, 3.14.2, 4.1.2, 9.3.2, 9.10.3, 13.2, 13.3.2, 15.4.4.2
Written Interpretations
4.2.11, 4.2.12
Written Orders
1.1.1, 2.4, 3.9, 7, 8.2.2, 12.1, 12.2, 13.4.2, 14.3.1

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, 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 the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

§ 1.1.1.1 Notwithstanding the foregoing, it is understood and agreed that the Owner is an intended third-party beneficiary of all contracts between the Contractor and Subcontractors or Suppliers who provide labor and/or materials for the
Work.

§ 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 Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the 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 and 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 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2017.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 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 in tended results.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 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.

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

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that 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

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.

§ 1.4.2

In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

1. The Owner/Contractor Agreement;
2. All Addenda to the Agreement with those of later date having precedence over those of earlier date;
3. The Supplementary Conditions;
4. The General Conditions of the Contract for Construction;
5. Specifications;
6. Drawings, with larger scale drawings having precedence over smaller scale drawings.

In the case of inconsistency between Drawings and Specifications or within Contract Documents not clarified by Addenda, the better quality or greater quantity of Work shall be provided in accordance with the Architect's interpretation.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights. The Owner retains rights to the Instruments of Service pursuant to Article 7 of AIA Document B101-2017.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 1.5.3 The Architect shall furnish to the Contractor a version of the Instruments of Service in electronic form for the sole purpose of the construction of the Project for which the Instruments of Service were created.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties may use AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit or other form, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol Form or other form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

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 shall designate in writing a 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 Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within thirty (30) 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 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.2, the Contract Time shall be extended appropriately and the Contract

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents.

§ 2.2.3 After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.4 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1 and other obligations, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 If requested by the Contractor and reasonably required for the Project, the Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The Contractor shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services. The Contractor, not the Owner, is responsible for the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the Contractor.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, 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, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a three-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services and expenses made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner within ten (10) days following written request for payment delivered by the Owner to the Contractor. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

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 Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. 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.

§ 3.1.2

The Contractor shall hire a professional utilities locator to investigate and verify all private utility locations prior to excavation and cutting into of existing Work. The Contractor is responsible for locating, terminating, and reinstallation of all private utilities. Private site utilities may not be in the Drawings and Project Manual and as such, verification of private utilities is the sole responsibility of the Contractor. Costs associated with moving and repairing of unknown and undocumented utilities will be by appropriate Change Order. The Contractor shall comply with Gopher State One Call, or other public utility service locator to locate all public utilities prior to any work on site. This shall not relieve Contractor from obligations under 3.2.2.1.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents 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 or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 The Contractor
shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to Subparagraph 2.2.3 and shall immediately report to the Architect errors, inconsistencies, or omissions discovered. The Contractor shall not be liable to the Owner or Architect for damage resulting from errors, inconsistencies, or omissions in the Contract Document unless the Contractor recognized such error, inconsistency, or omission and knowingly failed to report it to the Architect. If the Contractor performs any construction activity knowing or believing it involves a recognized error, inconsistency, or omission in the Contract Documents without such notice to the Architect, the Contractor shall assume full responsibility for such performance and shall bear the attributable costs for correction and shall bear responsibility for any additional costs, delays, and damages resulting from such failure to immediately report any such errors, inconsistencies, or omissions which the Contractor may discover.

§ 3.2.1.1 The Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the Contractor with the contract documents before commencing activities. Errors, inconsistencies, or omissions discovered shall be reported to the Architect immediately in writing.

§ 3.2.1.2 The Contractor shall carefully study and compare the Contract Documents with existing conditions at the job site and shall immediately report in writing to the Architect any error, inconsistency, or omission which the Contractor may
discover or any materials, systems, procedures, or methods of construction, either shown on the Drawings or specified, which the Contractor has reason to believe are incorrect, inadequate, obsolete, unsuitable for the purpose intended or which the Contractor has reason to believe would constitute or result in a violation of the Contractor's

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

warranty under Paragraph 3.5 or applicable law. The Contractor shall not proceed with any work in such areas until written instructions are received from the Architect.

§ 3.2.2 The Contractor shall perform the Work in accordance with the Contract Documents and submittals accepted pursuant to Paragraph 3.12.

§ 3.2.3 The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect for the Architect to evaluate and respond to the Contractor's requests for interpretation or information where such information was available to the Contractor from a careful study and comparison of the Contract Documents, Field Conditions, Owner Provided Information, Contractor Prepared Coordination Drawings, or prior Project Correspondence or Documentation.

§ 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. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be 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 notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 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.

§ 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.

§ 3.3.4 The Contractor shall at all times staff the Project adequately to allow the Project to be managed and completed in a timely and professional manner. The Contractor shall have competent supervision on the job during work hours and readily available at all times upon call.

§ 3.3.5 The Contractor shall at all times make reasonable provisions to protect any work performed by any separate contractors, adjacent property, and the existing building (if any) from damage due to the Work or due to the weather.

§ 3.3.6 The Owner or its approved representative (heretofore referred to as Owner's Representative) shall have access to the Work site and all Work. No supervision or inspection by the Owner or the Owner's Representative, nor the authority to act nor any other actions taken by the Owner's Representative shall relieve the Contractor of any of its obligations under the Contract Documents or give rise to any duty on the part of the Owner.

§ 3.3.7 The Contractor shall take appropriate precautions to ensure that the Work does not materially disrupt any ongoing operation by the Owner at the Project (if any) except to the extent any such disruption is a necessary result of performing a particular portion of the Work, in which case the contractor shall provide the Owner with reasonable advanced written notice and shall take all commercially reasonable measures to minimize the impact on the Owner and the Owner's
operations.

§ 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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

and whether or not incorporated or to be incorporated in the Work. Should the Contract Documents require Work to be performed after regular working hours or should the Contractor elect to perform Work after regular working hours, the additional cost of such Work shall be borne by the contractor.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

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

§ 3.4.4 The Contractor shall be responsible for all additional costs incurred to incorporate into the project substitute materials, products, or equipment approved by Owner during the bidding period.

§ 3.4.5 The Contractor shall exercise reasonable efforts, consistent with the provisions of the Contract Documents to obtain the maximum available cash discounts on all materials, provided that, in doing so, the Contractor shall not accept or use materials for incorporation into the Project which are of a type or quality not reasonably contemplated under the terms of the Contract Documents.

§ 3.4.6 After award of the Contract, a request for substitution of a material, product, or piece of equipment at no change in the Contract Sum will not be approved by the Owner or the Architect, unless the specified item is no longer manufactured, the specified item is unavailable as a result of an act of government such as a declaration of a national emergency, or delivery of the specified items is substantially delayed as a result of labor disputes affecting the manufacturer, unusual delay in transportation, or any other cause beyond control of the Contractor or a Subcontractor or material supplier which the Architect determines justified the delay. Requests will not be approved where the delay in delivery results from failure to promptly place subcontracts and material orders. Requests for substitution shall be submitted in writing to the Architect and shall clearly describe the proposed substitution, state the reason for the unavailability of a specified item and be accompanied by such additional data and information as may be necessary in the discretion of the Owner and the Architect to establish the acceptability of the proposed substitute.

§ 3.4.6 The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect to evaluate the Contractor's proposed Substitutions and for changes made to the Contract Documents as a result of Owner's acceptance of such
Substitutions.

§ 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 the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work 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.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4. The Contractor shall arrange for the Owner to have the benefit of and right to enforce all warranties by Subcontractors, Sub-subcontractors, suppliers, and manufacturers.

§ 3.5.3 Manufacturers' warranties and warranties by others shall not relieve the Contractor of any of its

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

responsibilities.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded. The Contractor shall be responsible for the Sewer Access (SAC) and Water Access (WAC) fees for the Project. The Contractor shall pay the SAC/WAC costs to the authorities having jurisdiction from the Allowance in the Base Bid for such charges as defined in the Construction Documents.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing or believing it to be contrary to applicable laws, statutes, ordinances, building codes, rules and regulations, or lawful orders of public authorities, without such notice to the Architect and Owner, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs, delays, and damages resulting from such failure to immediately notify the Architect and Owner of any such violation.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that 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, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than ten (10) days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that 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 that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect 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 Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 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;

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

.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; and

.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) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work including that performed by all Subcontractors. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications including and not limited to communications regarding design changes, alterations, substitutions, clarifications, cost changes, etc. shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. All communications given to the superintendent shall be confirmed in writing to the Contractor upon written request of either or both the superintendent and Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent or any other management personnel to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.9.4 If requested by the Owner, the Contractor shall preplace the Superintendent at no additional cost to the Owner. No other change in this position shall be made without notice to and written consent of the **Owner.**

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, critical path schedule milestones, major construction milestones including and not limited to Civil, Demolition, Structural, Mechanical, Electrical, and Plumbing, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.2 The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's approval. The Architect's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to and accepted by the Owner and Architect.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, one record copy of the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and updated daily to indicate field changes and selections made during construction, and in addition accepted and approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner as required to complete routine inspections by Architect and Owner prior to any approval of payments to the Contractor, and delivered to the Architect for submittal to the Owner upon completion of the Work. The Architect and Contractor must verify that all "as-built" Drawings, Specifications, Addenda, Change Orders, and other Modifications are up-to-date before Contractor's Application for Payment is acceptable and before the Owner incurs any duty to pay Contractor in accordance with the Contract. The record documents shall be a separate set of documents labeled "Record Documents" and used only for record purposes and kept clean and undamaged.

§ 3.11.1 No review or receipt of such records by the Architect or Owner shall be considered a waiver of any deviation from the Contract Documents or approved shop drawings, or any way relieve the Contractor from its responsibility to perform the Work in accordance with the Contract Documents.

§ 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 that 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. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. 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 that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, 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.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) 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 accepted by the Architect.

§ 3.12.8 The Work shall be in accordance with accepted submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's acceptance of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written acceptance to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

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 acceptance 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 notice, the Architect's acceptance of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that 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 law.

§ 3.12.10.1 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 be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately 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 and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and 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.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 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. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 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 construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall hire a professional utilities locator to verify locations of all public and private utilities prior to initiating any cutting work. the Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

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

§ 3.17 Royalties, Patents and Copyrights

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 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 an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, 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 or resulting from performance of the Work, 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), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 3.18. The Contractor, furthermore, agrees to obtain, maintain, and pay for such general liability coverage and endorsements (including product and completed operations coverage) as will ensure the provisions of this paragraph. The Contractor agrees to reimburse the Owner, its agents and employees for all costs and disbursements, including attorneys' fees, paid or incurred to enforce the provisions of this paragraph.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

§ 3.18.3 To the fullest extent permitted by law and without limiting any other indemnification obligations of the Contractor, except to the extent caused by the uncured failure of the Owner to make payment when required by the Contract Documents, the Contractor shall indemnify and defend the Owner, its officers, directors, assigns, lenders, agents, and employees from any liens, charges (including attorney's fees) or encumbrances (including but not limited to mechanic's and materialmen's liens or bond claims) arising out of or in connection with the performance of the Work by Contractor, its Subcontractors, or its material suppliers. Upon request of the Owner, the Contractor shall within 60 days remove any liens filed against the Owner or its property. If the Contractor fails to do so, the Owner is authorized by the Contractor to remove or satisfy any such liens, and the Contractor shall pay to the Owner all costs and damages incurred by the Owner to do so, including attorneys' fees.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 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, Contractor, and Architect. Consent shall not be unreasonably withheld.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 4.1.3 In the event the employment of the Architect is terminated, the Owner may employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.1.4 Disputes arising under Subparagraphs 4.1.2 and 4.1.3 shall be subject to action at law as provided in Paragraph 15.3.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be the Owner's consultant (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the correction period described in Paragraph 12.2. The Architect will advise and consult with the Owner. The Architect will have the 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.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the Work completed, to endeavor to guard the Owner against defects and deficiencies in the Work, and to determine in general if the Work is being performed in a manner indicating that the Work, when 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. On the basis of on-site observations as an architect, the Architect will keep the Owner informed of progress of the Work and will endeavor to guard the Owner against defects and deficiencies in the Work.

§ 4.2.2.2 The Contractor shall reimburse the Owner for compensation paid to the Architect for additional site visits made necessary by the fault, neglect, or request of the Contractor.

§ 4.2.3 The Architect will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the
Contractor's responsibility as provided in Paragraph 3.3. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with 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 performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner unless otherwise provided. The Contract Documents may specify other communication protocols. The Owner may require the Architect and the Contractor to comply with Owner requirements in regards to public communications and site signage.

§ 4.2.5 Based on the Architect's observations and valuations of the Work and of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable for implementation of the intent of the Contract Documents, the Architect will have authority to require additional inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 4.2.7 The Architect will and the Owner may 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 or Owner's action will be taken 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 by the Architect or the Owner 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 or the Owner'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 or the Owner's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's or Owner's acceptance of a specific item shall not indicate acceptance of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; 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 pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 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 Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

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

§ 4.2.12 Interpretations and decisions 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 interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions so rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

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. 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 the 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. The term "Sub-subcontractor" is referred to throughout the Contract

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

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 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect in writing of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection. The Contractor shall not employ any subcontractor or use any material to which the Architect or Owner may object as incompetent or unfit, or where there is reason to assume the Work will not be accomplished in accordance with the Contract Documents. Prior to the employment of the named subcontractors, the Contractor must obtain the Owner's approval of such subcontracts for the designated portion of the Work.

§ 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.

§ 5.2.2.1 The right to reject any Subcontractor or Sub-subcontractor will be exercised by the Owner or the Architect when in the reasonable opinion of either of them the proposed Subcontractor or Sub-subcontractor:

1. cannot provide (or proposes unacceptable deviations in) materials, equipment, systems, methods, facilities, or other work as required by the Contract Documents;
2. cannot provide labor and skill necessary to accomplish the part of the Work for which it is proposed, including but not limited to quality of craft;
3. lacks experience appropriate to the proper execution and completion for that part of the Work for which the Subcontractor or Sub-subcontractor is proposed;
4. has previously failed to perform satisfactorily with respect to other projects, including cooperation and necessary services after project completion;
5. cannot satisfactorily perform the part of the Work for which the Subcontractor or Sub-subcontractor is proposed within the time schedule, due to financial status, size of organization, existing workload or other considerations;
6. cannot demonstrate ability, through examples of representative work, to perform the part of the Work for which the Subcontractor or Sub-subcontractor is being considered; or
7. exhibits other factors bearing on the probability of unsatisfactory performance.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. The Contract Sum shall be increased or decreased by the difference, in cost occasioned by such change, and an appropriate Change Order shall be issued. However, no increase in the Contract Sum shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required. Notwithstanding the foregoing, the Contractor shall have a continuing duty to the Owner and Architect to find and propose such persons or entities as shall not result in material increase in the Contract Sum, or a material decrease in the quality of Work contemplated under the Contract Documents.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution. Any proposed substitution or a subcontractor, person, or entity for one previously selected shall be made in a separate writing to the Owner and Architect. No substitution shall be deemed approved/accepted without written confirmation from the Owner and Architect. Neither acceptance of, nor objection to a Subcontractor or Sub-subcontractor, material supplier, or other person or organization by the Owner and the Architect shall limit the responsibility of the Contractor to furnish materials, products, equipment, and services in conformance with the requirements of the Contract Documents.

§ 5.3 Subcontractual Relations

By appropriate 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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Subcontractor's Work that the Contractor, by these Contract 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. Where appropriate, 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 that may be at variance with the Contract Documents. Subcontractors shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.3.2 The Contractor, not the Owner, is responsible for the performance of, the actions of, the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the **Contractor.**

§ 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 for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 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 cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

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 term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for 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 Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised. The Contractor shall schedule, coordinate, and cooperate fully with all other contractors. The

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Contractor shall take all reasonable steps necessary to assure scheduling, coordination, and cooperation among the contractors.

§ 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 or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has 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 notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work 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. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not reasonably discoverable.

§ 6.2.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

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

§ 6.2.5 Claims and other disputes and matters in question between the Contractor and a separate contractor shall be subject to the provisions of Article 15 provided the separate contractor has reciprocal obligations.

§ 6.2.6 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Paragraph 3.14.

§ 6.3 Owner's Right to Clean Up

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 as described in Paragraph 3.15, the Owner may clean up and allocate the cost among those responsible as the Architect determines to be just.

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.

§ 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.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.1.4 The amount of credit to be allowed by the contractor to the Owner for any deletion or change which results in a net decrease in the Contract Sum will be the amount of the actual net cost as confirmed by the Architect after

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

consultation with the Owner. When both additions and credits covering related Work or substitutions are involved in any one change, the allowance for both overhead and profit shall be figured on the basis of the net increase or decrease, if any, with respect to that change.

§ 7.1.5 In Paragraph 7.3.6, the allowance for the combined overhead and profit included in the total cost to the Owner shall be based on the following schedule:

1. For the Contractor, for Work performed by the Contractor's own forces, ten percent (10%) of the cost,
2. For the Contractor, for Work performed by the Contractor's Subcontractor, five percent (5%) of the amount due the Subcontractor.
3. For each Subcontractor or Sub-subcontractor involved for Work performed by the Subcontractor's or Sub-subcontractor's own forces, ten percent (10%) of the cost.
4. For each Subcontractor for Work performed by the Subcontractor's Sub-subcontractor, five percent (5%) of the amount due the Subcontractor.
5. Costs to which overhead and profit is to be applied shall be determined in accordance with Subparagraph 7.3.6.
6. In order to facilitate checking of quotations for extras or credits, all proposals, expect those so minor that their propriety can be seen by inspection, shall be accompanied by a complete itemization of costs, including labor, materials and subcontracts. Labor and materials shall be itemized in the manner prescribed above. Where major cost items are subcontracts, they shall be itemized also. In no case will a change involving over $500 be approved without such itemization.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

.1 The 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 Change Orders shall be prepared on AIA Document G701.

§ 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 and Architect, 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:

.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 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. 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 7.3.4 shall be limited to the following:

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

.1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;

.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 (at rates approved by the Owner);

.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and

.5 Costs of supervision and field office personnel directly attributable to the change.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect 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.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that 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.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment up to and not exceeding $25,000. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing and approved by the Owner. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

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 Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons or entities for whom the Contractor is responsible.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term “day” shall mean calendar day of 24 hours beginning at 12:00 midnight. Calendar days as stated in the Contract Documents, shall include all days of a seven (7) day week including Saturdays, Sundays, and holidays. The term "Milestone Date" is, in each instance, the date established in the Contract Documents for the Substantial completion of all or a designated portion of the Work.

§ 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, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time and shall achieve specific contractual Milestone Dates (if any), Substantial Completion and final Completion within the time stated in the Contract Documents..

§ 8.2.4 Contractor understands and agrees that all Work must be performed in an orderly and closely coordinated sequence so that the dates for Substantial Completion, Final Completion, and Milestone Dates (if any) may be met by the Contractor.

§ 8.2.5 Timely final Completion of the Project being of critical importance to the Owner, Contractor agrees that they shall substantially complete all Work under the Contract documents within the time established herein and that they shall finally complete the Work in the detail required and in the time required by the Contract Documents.

§ 8.2.6 To the extent that the Contract Documents contain or provide for specific contractual Milestone Dates in addition to Final and Substantial Completion dates, such dates shall be adhered to and shall be the last acceptable dates for those milestones and completions, unless modified by the Owner.

§ 8.2.7 Notwithstanding anything to the contrary contained in the Contract Documents, in the event that any Contractor fails, or appears likely, in the reasonable opinion of the Owner, to fail to complete a critical portion of their Work on time or to complete any dates for Substantial Completion, Final Completion, or Milestone Dates as evidenced by the latest update of the CPM Schedule Report, the Owner shall have the right to select and require Contractor's performance under any or all of the following operations:

1. Require the Contractor to substantiate their capability to get back on schedule within two (2) days;
2. Require the Contractor, at no additional cost to the Owner, to increase their work force, work overtime and/or extra shifts and do whatever else is required by the Owner until the Contractor gets back on schedule as established by the CPM Schedule Report (including any updates thereto);
3. Withhold progress payments or portions thereof until such time as the contractor returns to schedule, but only related to Substantial Completion or Final Completion;
4. Contact or visit the factory, plant, or distribution center whose production or delivery schedule may be critical to the scheduled completion of a portion of the contract work and expedite such production delivery at Contractor's expense; or
5. Require the Contractor to complete, in detail, and submit weekly a Short Interval Schedule (SIS) showing: 1) planning for the next two weeks; 2) work completed for the previous week; 3) sufficient detail to evaluate daily milestone (if any) and manpower/equipment loading, and shall identify/tie into the monthly updated CPM Schedule Report.

Any costs incurred by the Contractor in fulfilling the option(s) selected by the Owner shall be at the Contractor's expense.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; or (4) by other causes that the Contractor asserts, and the Architect determines, justify delay, then subject to the conditions hereinafter set forth, the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine. Requests for extensions of time for causes enumerated above will be considered by the Architect only under the following conditions:

1. Only those conditions enumerated above over which the Contractor has no control will be considered. The burden of proof to substantiate the claim for an extension shall rest with the Contractor, including evidence that the cause was beyond their control. It shall be deemed the Contractor has control over the supply of labor, materials, equipment, methods, techniques, and over their subcontractors and suppliers.
2. In the event of Changes in the Work, any consideration for a time extension will be made only at the time of authorizing the changes, and no later than when the Change Order is prepared, and only if the Change Order significantly affects the time and progress of the entire Work. For changes which do not affect the entire Work, time extension may be granted only for the area, phase, unit, or element affected by the change, if due to a valid reason for a time extension;
3. Any unusual delay in deliveries will not be considered unless it is solely due to transportation. An extension of time will not be granted for delays in deliveries where said delivery was not properly scheduled or when orders were not promptly and properly placed;
4. With respect to a claim for an extension of time as a result of climatic conditions, the Contractor shall recognize the location of the site and the existence, as normal, or variations from "average" conditions. Foul weather in itself will not be a valid reason for a time extension. Requests for time extensions because of delay resulting from weather extremes will not be considered unless a substantial variation from usual weather conditions occurs for a significant period of time, during phases of the Work when operation necessarily were suspended to a significant degree when they would otherwise have been in progress. In considering the time extension, the weather conditions both before and after the period in which the delay is claimed will be evaluated with credit given for unseasonably favorable weather;
5. Delays resulting from a labor dispute will not result in a time extension of a longer period than the dispute, plus a reasonable time for mobilization if justified and necessary as approved by the Architect, and may be less depending on the impact of the dispute, including what operations were suspended or curtailed;
6. A delay in the overall Project progress actually occurred and clearly disrupted the total Project programs as a result of one of the valid causes for time extension. An extension of time for parts, phases, or stages may be granted where a valid delay indicated such partial time extension is justified;
7. No time extension will be granted as a result of improper scheduling or for failure to have shop drawings or samples submitted in ample time for review under a reasonable and agreed upon schedule; or
8. Delays by subcontractors or suppliers will not be considered justification for a time extension, expect for the same valid reasons and conditions enumerated under Subparagraph 8.3.1.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

§ 8.3.4 The Contractor shall be responsible for all Owner incurred costs associated with a Contractor related to delay in completion of the Project. These costs may include, but are not limited to, Owner staff overtime, Consultant additional fees, additional testing, and/or additional rental or storage costs. A Change Order or Construction Change Directive will be issued to cover these costs. If a Change Order is not agreed to by the Contractor, the Owner, after presenting documentation to the Contractor, may deduct these amounts without a Change Order from the Contract Sum. This is subject to the right of either party to disagree and assert a claim in accordance with Article **15.**

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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Before the first Application for Payment, the Contractor shall submit to the Architect a schedule of values allocated to various portions of the Work, prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. The schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment. The Contractor, after receipt of Notice to Proceed, shall meet with the Owner and the Architect for the purpose of reviewing the Project CPM Schedule and the Contract Schedule of Values. The Contractor shall develop a CPM Schedule for completing their portion of the Work, in conjunction with all other Contractors or Bid Packages, at the Pre-Construction Meeting(s). The Schedule of Values is to be broken down into specification sections and by labor and materials.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for operations comp0leted in accordance with the Schedule of Values. Such application shall be notarized and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and material suppliers, and reflecting retainage if provided for elsewhere in the Contract Documents. The form of Application for Payment shall be a notarized AIA Document G702, Application and Certification for Payment, supported by AIA Document G703, Continuation Sheet.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Such applications shall not include requests for payment of amounts the Contractor does not intend to pay a Subcontractor or supplier because of a dispute or other reason.

§ 9.3.1.2 Following certification of the Application for Payment by the Architect, the Owner shall pay 95% of its value, retaining 5% until Final Completion.

§ 9.3.1.3 Contractor shall provide lien waivers for itself for the current payment application and for Subcontractors, Sub-subcontractors, and suppliers for the pervious payment application before the Contractor has earned or has the right to receive payment for the specific items of work or materials covered by the lien waivers. All lien waivers shall be provided in the form required by the Owner. This Paragraph shall not limit other obligations of the Contractor contained elsewhere to provide lien waivers.

§ 9.3.2 Unless otherwise provided in the Contract Documents, 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 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 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.

§ 9.3.3 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, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.3.4 In each Application for Payment, the contractor shall certify as follows: "That there are no known mechanics' or materialmen's liens or stop notice claims outstanding by the application or any of its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers, or laborers at the date of this application, that all due and payable bills with respect to the Work have been paid or are included in the amount requested in current application, and that, except for such bills, not paid by Owner, but so included, there is no known basis for the filing of any mechanics' or materialmen's liens or stop notice claims on the Work, and that waivers from Contractor, its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers and laborers have been obtained in such form as to constitute an effective waiver of liens or stop notice claims, under the laws of the State of Minnesota to the extent of payments made by Owner to Contractor."

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's observations at the site, evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. 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 completion, and to specific qualifications expressed by the Architect. 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 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

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, 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 suppliers 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 a Separate Contractor;
- **.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; or
- **.7** repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment within thirty (30) days of receipt by Owner of Certificate of Payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the 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. Per Minnesota Statute 471.425, within ten (10) days of Contractor's receipt of payment from Owner, the Contractor must pay any Subcontractor for any undisputed services provided by the Subcontractor. The Contractor shall pay interest of one and one-half percent (1-1/2%) per month, or any part of a month, to the Subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10.00. For an unpaid balance of less than $100, the Contractor shall pay the actual interest penalty due to the Subcontractor. Contractor is advised that by reason of Minnesota Statute 471.425, Subd. 4a, if a Subcontractor prevails in a civil action to collect interest penalties from a prime contractor, the Subcontractor must be awarded its costs and disbursements, including attorney's fees incurred in bringing the action.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, 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.

§ 9.6.7 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 or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers 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, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within thirty (30) days after the date established in the Contract Documents, the amount certified by the Architect, then the Contractor may, upon ten (10) additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, which shall be accomplished as provided in Article 7.

§ 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 and when the Architect issues a certificate of Substantial Completion.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not in accordance with the requirements of the Contract documents, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item, upon notification by the Architect. The Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion. When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Document shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

§ 9.8.6 Upon Substantial completion of the Work or designated portion thereof and upon application by the Contractor and certification by the Architect, the Owner shall make payment, reflecting adjustment in retainage, if any, for such Work or portion thereof as provided in the Contract Documents.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.8.6.1 The retainage is for the performance of the Contractor. Nothing in this Agreement connects the retainage to the Subcontractors. Upon satisfactory completion of the Project, and full payment by the Owner to the Contractor for the Work of any Subcontractor, the Subcontractor is to be paid in full. The Owner, at its sole discretion, may continue or make adjustments of the full retainage for the performance of the Contractor.

§ 9.8.6.2 Prior to requesting a reduction of retainage, the Contractor shall obtain in writing an agreement from the Surety agreeing to such a reduction. In reducing retainage, the Contractor shall use the retainage to make full payment to Subcontractors who have completed 100% of their work. The Contractor shall provide to the Owner documentation of payment to Subcontractors and an agreement for retainage deduction from the Surety of the Subcontractor.

§ 9.8.7 The Architect shall make inspection(s) for Substantial Completion and Final Completion in accordance with the AIA Document B101 Owner Architect Agreement. If additional inspections are required due to the Contractor's failure to complete previously listed corrective or uncompleted work, the Architect's expense for conducting such re-inspections and related time in processing, reviewing, and revision of requirements shall be charged to the Contractor and such payment shall be accomplished by a deductive Change Order to the Contractor.

§ 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 and authorized by public authorities having jurisdiction over the Project. 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.

§ 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 the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds 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 observations, on-site visits and inspections, the Work has been completed in accordance with 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 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, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least sixty (60) days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties,

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

such as manufacturers' warranties or specific Subcontractor warranties, including a summary listing all applicable warranties both standard and extended, itemized by specification section and included at the front of the Operation and Maintenance manuals, and (6) other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance 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 the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect 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, corrected, 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 the 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 Architect 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 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- **.1** liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- **.2** failure of the Work to comply with the requirements of the Contract Documents;
- **.3** terms of special warranties required by the Contract Documents; or
- **.4** audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, 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.

§ 9.11 DAMAGES FOR DELAY

§ 9.11.1 The Contractor shall be responsible for damages incurred by the Owner and any other separate contractors for delay resulting from the Contractor's failure to complete the Work within the contract Time or resulting from the progress of the Work failing to substantially conform to the Project Construction Schedule.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.1.2 The Contractor shall comply with all applicable laws and regulations. Notwithstanding any language to the contrary, the Owner shall not have any responsibility for job site inspections or safety recommendations. Any inspections or observations by the Owner or the Architect are solely for the benefit of the Owner and shall not create any duties or obligations to anyone
else.

§ 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

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

.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, a Subcontractor, or a Sub-subcontractor; 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 comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, 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 the owners and users of adjacent sites and utilities of the safeguards.

§ 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. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is 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, 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 permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damages to person or property because of an act or omission of the other party, of any of the other party's employees or agents, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding ten (10) days after first observance. The notice shall provide sufficient detail to enable the other party to investigate the matter. If a Claim for additional cost or time related to this Claim is to be asserted, it shall be filed as provided in Paragraphs 15.1.4 and 15.1.5.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 In the event the Contractor encounters on the site material reasonably believed to be asbestos or polychlorinated biphenyl (PCV) which has not been rendered harmless, the Contractor shall immediately stop Work in the area affected and report the condition to the Owner and Architect in writing. The Work in the affected area shall not thereafter be resumed except by written agreement of the Owner and Contractor if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has not been rendered harmless. The Work in the affected area shall be resumed in the absence of asbestos or polychlorinated biphenyl (PCB), or when it has been rendered harmless, by written agreement of the Owner and Contractor.

1. Except where otherwise stated in the Contract Documents, no hazardous material work of any nature shall be performed by the Contractor pursuant to this Contract.
2. The term "hazardous materials" includes, but is not limited to, asbestos, toxic chemicals, acids, alkalis, irritants, contaminants, or other pollutants, together with any other waste, material, substance, pollutants, or

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

contaminant, all or a portion of which is or would be designated as hazardous waste or substance under applicable local, state, or federal laws, ordinances, codes, rules, or regulations.

§ 10.3.2 The Contractor shall not be required pursuant to Article 7 to perform without consent any Work relating to asbestos or polychlorinated biphenyl (PCB)

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, 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 or resulting from performance of the Work in the affected area if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has 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), including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of the Owner, anyone directly or indirectly employed by the Owner, or anyone for whose acts the Owner may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Subparagraph 10.3.3.

§ 10.3.4 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered on the site by the contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. The Owner, Contractor, and Architect shall then proceed in the same manner described in Subparagraph 10.3.1.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence. Owner shall be responsible for obtaining the services of a licensed laboratory to verify a presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless.

§ 10.3.6 Regulations concerning the availability of information and employee training in the use and handling of "hazardous substances" and "harmful physical agents", as set forth in the Employee Right-to-Know Act of 1983, Minnesota Statutes Section 182.65 to 182.676 are incorporated herein by reference as if fully set forth herein.

§ 10.3.7 The Contractor shall furnish three Material Safety Data Sheets to the Owner for each material used in the Work that is classified by the Employee Right-to-Know Act of 1983 as a "hazardous substance" or a "harmful physical agent."

§ 10.3.8 The Contractor shall label, in generally accepted and/or standardized fashion, all containers on the work site containing "hazardous substances" or as "harmful physical agents." This shall include factory containers and all subsequent containers used in the Work.

§ 10.4 The Owner shall not be responsible under Section 10.3 for materials and substances brought to the site by the Contractor unless such materials or substances were required by the Contract Documents.

§ 10.5 MISCELLANEOUS GENERAL PROVISIONS

§ 10.5.1 In occupied facilities from the time the Work is begun until the Contract is completed, the Contractor shall be responsible for coordinating care and control of their contracted responsibilities with the Owner on the construction premises. The Contractor shall maintain all the Contractor's Work areas on the Project site in first class condition during term of operation under this Contract.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 10.5.2 The Contractor shall give full protection to existing adjacent buildings and occupants. The Contractor shall replace or repair, at the Contractor's own expense, all damage to existing buildings, sidewalks, curbs, drives, fences, planters, signage, monuments, lawns, plants, trees, and shrubbery arising as a result of Work performed under the Contract.

§ 10.5.3 Utilities encountered, whether shown on Project Drawings or not, shall be protected and maintained in service until moved or abandoned. The Contractor shall exercise care in the excavation around such utilities as may be shown on the Project Drawings or otherwise found, and which are not to be moved, replaced, or abandoned, and shall restore any damaged items or Work to the same conditions (or better) as existed prior to starting Work. Utilities or other service shown to be abandoned shall be maintained in service until facilities are provided, tested, and ready to use. The Contractor shall take all reasonable precautions in working in the area of excavation to avoid personal injury or property damage resulting from interception or interruption of electrical, telephone, sewer, water, gas, or other services, and shall also cause all Subcontractors, Sub-subcontractors material suppliers, laborers, and other persons on the construction premises to take such precautions. The location and nature of such concealed or buried services is not guaranteed or completely indicated by Owner or Architect.

§ 10.5.4 The Contractor shall at all times take reasonable and adequate precautions to protect the Work from damage by the elements, including flooding, rainstorms, windstorms, and any other elements or natural events, etc., and shall not expose the Work of any other contractor to such damages. Where the Contractor, any Subcontractor, or any Sub-subcontractor prepares or erects any material during any season of the year when freezing weather may be anticipated, the Contractor shall employ (and shall cause such Subcontractor or Sub-subcontractor to employ) such methods as may be necessary to render such Work equal in every respect to similar Work done under favorable conditions and the Contractor shall exercise (and shall cause any such Subcontractor or Sub-subcontractor to exercise) reasonable care and diligence to prevent its damage or deterioration. The Contractor shall be responsible for maintaining the building an a dry condition until acceptance. The Contractor shall be responsible for any damage from water, as well as for damage, collapse, or failure of any part of the building caused by excess water undermining or creating pressures on the structures.

§ 10.5.5 The Contractor shall not sue any internal combustion machinery that causes noxious, harmful, or toxic fumes inside an enclosed building. When use of internal combustion machinery is unavoidable inside enclosed buildings, the Contractor shall obtain written approval from the Owner prior to use of the machinery and shall provide full ventilation to the outside of the enclosed building for the exhaust of the internal combustion machinery. The Contractor shall locate internal combustion machinery outside an enclosed building so that the exhaust fumes will not enter the building through vent ducts, doors, windows, or other openings in the building.

§ 10.5.6 If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all reasonable costs and expenses thereby incurred.

§ 10.6 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act 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 Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement, in EXH-C.3 Owner Insurance, or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located and which carry a Best's rating of A- or higher or are otherwise acceptable to the Owner. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished. The Contractor shall furnish Certificates of Insurance acceptable to the Owner which shall specifically set forth evidence of all coverage required by Article 11 and EXH-C.3 Owner Insurance and shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance.

The Contractor shall not allow insurance required by this Agreement to lapse, be canceled, reduced in limits or coverage, non-renewed, or materially changed or have restrictive modifications added during the life of this Agreement, including the periods of required coverage. The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, all additional certificates evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

§ 11.1.3.1 Acceptable insurance certificates are AIA Document G705, CICC of Minnesota Form 701, and/or ACORD form of the American Insurance Institute.

Failure of the Owner to collect certificates does not void the requirements to obtain insurance.

The acceptance of any certificate of insurance by the Owner shall not relieve or decrease the liability of the Contractor hereunder. It is to be understood the Owner and Architect do not in any way represent that the insurance specified in these articles are sufficient or adequate to protect the Contractor's interest or liabilities, but are merely minimum requirements.

The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

§ 11.1.4 In the event the Contractor fails to procure or maintain any insurance coverage required under this Agreement, the Owner may purchase such coverage and deduct the cost thereof from any monies due to the Contractor, or terminate this Agreement under Paragraph 14.2. The Contractor shall be liable to the Owner for providing all coverage, defense, and payments that would have been provided by any insurance that the Contractor failed to procure and maintain as required by the Contract Documents.

§ 11.1.5 Compliance by the Contractor with the foregoing insurance requirements shall not relieve it from liability for amounts in excess of the limits of insurance.

§ 11.1.6 The Contractor and any of its Subcontractors, Sub-subcontractors, agents and employees, and any separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees shall waive any of their subrogation rights on their Workers Compensation Policy in favor of the Owner and Architect. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogration 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.

§ 11.1.4 Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner may self-insure and maintain the Owner's usual liability insurance. Optionally, the Owner may purchase and maintain other insurance for self-protection against claims which may arise from operations under the Contract. The Contractor shall not be responsible for purchasing and maintaining this optional Owner's liability insurance unless specifically required by the Contract Documents.

§ 11.2.2 Failure to Purchase Required Property Insurance. If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Owner shall inform the Contractor in writing prior to commencement of the Work. Upon receipt of notice from the Owner, the Contractor may delay commencement of the Work and may obtain insurance that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Owner fails to procure coverage, the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent the loss to the Owner would have been covered by the insurance to have been procured by the Owner. The cost of the insurance shall be charged to the Owner by a Change Order. If the Owner does not provide written notice, and the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain the required insurance, the Owner shall reimburse the Contractor for all reasonable costs and damages attributable thereto.

§ 11.2.3 Notice of Cancellation or Expiration of Owner's Required Property Insurance. Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Owner shall provide notice to the Contractor of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Contractor, upon receipt of notice from the Owner, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor; (2) the Contract Time and Contract Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Contractor purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

(Paragraph Deleted)

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

§ 11.6.1 Contractor shall furnish a Performance Bond and a Payment Bond to the Owner in the amount of one hundred percent (100%) of the Contract Sum and issued by a Surety Company authorized to do business in the State of Minnesota, rated "A" or better, and approved by the Owner. The Performance Bond shall be in accordance with Minnesota Statutory requirements, and shall be in the form included in the Project Manual. The Bonds shall allow for any additions or deductions to the Contract Sum.

§ 11.6.2 In order to be acceptable as a surety, Contractor's bonding company bust hold a "Certificate of Authority" acceptable to the U.S. Treasury Department and be listed in the Department's current publication of "Bond Qualifiers" with underwriting limitations not less than ten percent (10%) above the Contract Sum.

§ 11.6.3 The surety of the Bonds shall be by a corporate surety company authorized to do business in the state in which Work is being performed under this Contract and acceptable to the Owner. The conditions of the bonds shall meet requirements of the statutes of the state where Work is being performed and all other applicable provisions of state law.

§ 11.6.4 The Contractor shall furnish two (2) originals of the Bonds to the Architect within ten (10) days after notification of award and before execution of the Contract. Failure to do so shall constitute a violation of terms of the proposal and provide grounds for forfeiture of bid security.

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 requested 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 that 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, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. The Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 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 any 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(and any other property damaged or removed in effecting the correction) after receipt of notice from the Owner and/or Architect to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner and/or Architect shall give such notice promptly after discovery of the condition. This period of
one year 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. This obligation under this Subparagraph 12.2.2.1 shall survive acceptance of the Work under the contract and termination of the Contract. The Owner and/or Architect shall give such notice promptly after discovery of the
condition. The expiration of the above one year or any other specified time period, or any other period prescribed by the law, shall not relieve the Contractor of the obligation form the expense to correct any latent defect in the work or deficiencies which are not readily ascertained, including but not limited to, defective materials and quality of work performed, defects attributable to material substitutions for special materials, substandard performance or otherwise not in compliance with the Contract Documents. Such latent defects or deficiencies shall be corrected as provided in this Paragraph 12.2. Following the correction or replacement of any of the Work, as above specified, the Contractor shall correct any defects or deficiencies in the corrected or replaced materials and workmanship which is found within one year after the date of correction or replacement.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that 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 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 2.4. If the Contractor does not proceed with correction of such nonconforming Work within a reasonable time fixed by written notice from the Architect, the Owner may correct or remove it and store the salvageable materials or equipment all at the Contractor's expense. If the Contractor does not pay costs of such removal and storage within ten (10) days after written notice, the Owner may upon ten (10) additional days' written notice sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after deducting costs and damages that should have been borne by the Contractor, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.

§ 12.2.5 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.

§ 12.2.6 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the contract documents. Establishment of the time period of one year as described in Subparagraph 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has 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 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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that 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

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 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.

§ 13.3.2 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 upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. The Owner 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. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may observe such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 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 13.4.1, the Architect will, upon written 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 a minimum of two (2) working days' notice to the Architect of when and where tests and inspections are to be made so that the Architect may observe procedures. The Owner shall bear such costs, except as provided in Subparagraph 13.4.3.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 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 Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 NON-DISCRIMINATION

§ 13.5.1 All contracts between the Owner and companies providing goods and services under the Contract Documents (including the Architect and Contractor) shall contain the following equal opportunity and civil right clause:
"During the performance of this Agreement, the provider agrees to the following: No contractor, material supplier, vendor, or other person shall on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from full employment rights in, participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, service, or activity under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964."

Upon request, the provider shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The provider shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

The provider acknowledges that the violation of the above-stated paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

This Agreement may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under this Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

§ 13.5.2 During the completion of the work and all other services required by the Contract Documents, the Architect and Contractor agree that no contractor, material supplier, vendor, or other person shall, on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from full employment rights in participation in, be denied the benefits of, or be otherwise subjected to discrimination under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964. Upon request, the Architect and Contractor shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The Architect and Contractor shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

Architect and Contractor acknowledge that the violation of the above-states paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

The Contract Documents may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under the Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

§ 13.6 No action or failure to act by the Owner shall constitute a waiver of a right or duty afforded the Owner under the Contract Documents, nor shall such action or failure to act constitute approval of or acquiescence of the Owner in a breach of the Contract Documents, except as may be specifically agreed in writing. None of the approval of any Application for Payment, the making of any payment, the giving of any approval or consent, the use or occupancy of the Work, or any part thereof, the making of final payment, or any other action or inaction on the part of the Owner or Architect shall constitute a waiver of claims by or rights of the Owner or an acceptance of any Work that is not in accordance with the Contract Documents. The Contractor shall not be relieved from its obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

representations of the Owner or Architect, or by inspections, tests, or approvals required or performed by the Owner or Architect or anyone else.

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 for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;

.2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;

.3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or

.4 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

.1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

.2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;

.3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or

.4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, 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, seven days' notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession 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 written 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.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect'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. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and 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.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases or decreases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include reasonable profit. No adjustment shall be made to the extent

.1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or

.2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 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 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, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

(Paragraph Deleted)

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within ten (10) days after occurrence of the event giving rise to such Claim or within ten (10) days after the claimant first recognizes the

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

condition giving rise to the Claim, whichever is later. Any additional Claim made after and relating to the initial Claim has been implemented by Change Order will not be considered unless submitted in a timely manner.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by written notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. Subject to paragraph 15.1.5, no such continuing performance by the Contractor, nor payment by the Owner shall be deemed a waiver of, or to otherwise impair any such Claim.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for any increase in the Contract Time, notice as provided in Section 15.1.3 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.

§ 15.1.6.2 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.

§ 15.2 Initial Decision

§ 15.2.1 Claims, including those alleging an error or omission by the Architect, shall be referred initially to the Architect for action. A decision by the Architect, as provided by Subparagraph 15.2.2, shall be required as a condition precedent to action at law or litigation of a Claim between the Contractor and Owner as to all such matters arising prior to the date final payment is due, regardless if (1) whether such matters relate to execution and progress of the Work or (2) the extent to which the Work has been completed. The decision by the Architect in response to a Claim shall not be a condition precedent to action at law or litigation in the event (1) the position of *(Paragraph Deleted)*

Architect is vacant, (2) the Architect has not received evidence or has failed to render a decision within agreed time limits, (3) the Architect has failed to take action required under Subparagraph 15.2.2 within the ten (10) days after the Claim is made, (4) ten (10) days, which decision shall be final subject to action at law as provided in paragraph 15.3. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Architect will review Claims and take one or more of the following preliminary actions within ten (10) days of receipt of a Claim: (1) request additional supporting data from the claimant, (2) submit a schedule to the parties indicating when the Architect expects to take action, (3) reject the Claim in whole or in part stating reasons for the rejection, (4) recommend approval of the Claim by the other party, or (5) suggest a compromise. If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

requested by the Architect, the Architect shall notify the parties in writing that the Architect's decision will be made within ten (10) days, which decision shall be final subject to action at law as provided in Paragraph 15.3.

§ 15.2.3 If a Claim has been resolved, the Architect will prepare or obtain appropriate documentation.

§ 15.2.4 If a Claim has not been resolved, the party making the Claim shall, within ten (10 days after the Architect's preliminary response, take one or more of the following actions: (1) submit additional supporting data requested by the Architect, (2) modify the initial Claim, or (3) notify the Architect that the initial Claim stands.

§ 15.2.5 If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by the Architect, the Architect will notify the parties in writing that the Architect's decision will be made within seven (7) days, which decision shall be final and binding on the parties but subject to action at law. Upon expiration of such time period, the Architect will render to the parties
the Architect's written decision relative to the
Claim, including any change in the Contract Sum or Contract Time or both. If there is a surety and there appears to be a possibility of a Contractor's default, the Architect may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.6 in the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

(Paragraph Deleted)

§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Additions and Deletions Report for
AIA® Document A201™ – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 12:38:16 ET on 11/28/2018.

PAGE 1

Minneapolis Public Schools Special School District #1
1250 West Broadway Avenue
Minneapolis, MN 55411

PAGE 2

EXH-A Project Charter

...

EXH-C.3 Owner Insurance

PAGE 10

§ 1.1.1.1 Notwithstanding the foregoing, it is understood and agreed that the Owner is an intended third-party beneficiary of all contracts between the Contractor and Subcontractors or Suppliers who provide labor and/or materials for the

...

~~§~~ **Work.**

...

§ 1.1.2 The Contract

...

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The ~~Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.~~Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2017.

PAGE 11

§ 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

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the ~~indicated~~ intended results.

...

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. ~~If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable.~~ In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

...

In the interest of brevity the Contract Documents frequently omit modifying words such as ~~"all" and "any"~~ "all" and "any" and articles such as ~~"the" and "an,"~~ "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.~~statement.

...

§ 1.4.2

...

In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

1. The Owner/Contractor Agreement;
2. All Addenda to the Agreement with those of later date having precedence over those of earlier date;
3. The Supplementary Conditions;
4. The General Conditions of the Contract for Construction;
5. Specifications;
6. Drawings, with larger scale drawings having precedence over smaller scale drawings.

...

In the case of inconsistency between Drawings and Specifications or within Contract Documents not clarified by Addenda, the better quality or greater quantity of Work shall be provided in accordance with the Architect's interpretation.

...

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights. The Owner retains rights to the Instruments of Service pursuant to Article 7 of AIA Document B101-2017.

PAGE 12

§ 1.5.3 The Architect shall furnish to the Contractor a version of the Instruments of Service in electronic form for the sole purpose of the construction of the Project for which the Instruments of Service were created.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties ~~will~~ may use AIA Document E203™–2013, Building Information Modeling and Digital Data ~~Exhibit,~~ Exhibit or other form, to establish the protocols for the development, use, transmission, and exchange of digital data.

...

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol ~~Form,~~ Form or other form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

...

§ 2.1.2 The Owner shall furnish to the Contractor, within ~~fifteen~~ thirty (30) 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.

PAGE 13

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section ~~3.7.1,~~ 3.7.1 and other obligations, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

...

§ 2.3.4 ~~The~~ If requested by the Contractor and reasonably required for the Project, the Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The Contractor ~~shall be entitled to rely on the accuracy of information furnished by the Owner but~~ shall exercise proper precautions relating to the safe performance of the Work.

...

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services. The Contractor, not the Owner, is responsible for the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the Contractor.

PAGE 14

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ~~ten-day~~ three-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services and expenses made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the ~~Owner.~~ Owner within ten (10) days following written request for payment delivered by the Owner to the Contractor. If the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

...

§ 3.1.2

...

The Contractor shall hire a professional utilities locator to investigate and verify all private utility locations prior to excavation and cutting into of existing Work. The Contractor is responsible for locating, terminating, and reinstallation of all private utilities. Private site utilities may not be in the Drawings and Project Manual and as such, verification of private utilities is the sole responsibility of the Contractor. Costs associated with moving and repairing of unknown and undocumented utilities will be by appropriate Change Order. The Contractor shall comply with Gopher State One Call, or other public utility service locator to locate all public utilities prior to any work on site. This shall not relieve Contractor from obligations under 3.2.2.1.

...

§ 3.2.1 ~~Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.~~The Contractor

...

~~§ 3.2.2~~ ~~Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the~~ shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to ~~Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made~~ Subparagraph 2.2.3 and shall immediately report to the Architect errors, inconsistencies, or omissions discovered. The Contractor shall not be liable to the Owner or Architect for damage resulting from errors, inconsistencies, or omissions in the Contract Document unless the Contractor recognized such error, inconsistency, or omission and knowingly failed to report it to the Architect. If the Contractor performs any construction activity knowing or believing it involves a recognized error, inconsistency, or omission in the Contract Documents without such notice to the Architect, the Contractor shall assume full responsibility for such performance and shall bear the attributable costs for correction and shall bear responsibility for any additional costs, delays, and damages resulting from such failure to immediately report any such errors, inconsistencies, or omissions which the Contractor may discover.

...

~~known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.~~**§ 3.2.1.1** The Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the Contractor with the contract documents before commencing activities. Errors, inconsistencies, or omissions discovered shall be reported to the Architect immediately in writing.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.**3.2.1.2** The Contractor shall carefully study and compare the Contract Documents with existing conditions at the job site and shall immediately report in writing to the Architect any error, inconsistency, or omission which the Contractor may

PAGE 15

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the discover or any materials, systems, procedures, or methods of construction, either shown on the Drawings or specified, which the Contractor has reason to believe are incorrect, inadequate, obsolete, unsuitable for the purpose intended or which the Contractor has reason to believe would constitute or result in a violation of the Contractor's warranty under Paragraph 3.5 or applicable law. The Contractor shall not proceed with any work in such areas until written instructions are received from the Architect.

...

Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor **§ 3.2.2** The Contractor shall perform the Work in accordance with the Contract Documents and submittals accepted pursuant to Paragraph 3.12.

...

shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.**§ 3.2.3** The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect for the Architect to evaluate and respond to the Contractor's requests for interpretation or information where such information was available to the Contractor from a careful study and comparison of the Contract Documents, Field Conditions, Owner Provided Information, Contractor Prepared Coordination Drawings, or prior Project Correspondence or Documentation.

...

§ 3.3.4 The Contractor shall at all times staff the Project adequately to allow the Project to be managed and completed in a timely and professional manner. The Contractor shall have competent supervision on the job during work hours and readily available at all times upon call.

...

§ 3.3.5 The Contractor shall at all times make reasonable provisions to protect any work performed by any separate contractors, adjacent property, and the existing building (if any) from damage due to the Work or due to the weather.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 3.3.6 The Owner or its approved representative (heretofore referred to as Owner's Representative) shall have access to the Work site and all Work. No supervision or inspection by the Owner or the Owner's Representative, nor the authority to act nor any other actions taken by the Owner's Representative shall relieve the Contractor of any of its obligations under the Contract Documents or give rise to any duty on the part of the Owner.

...

§ 3.3.7 The Contractor shall take appropriate precautions to ensure that the Work does not materially disrupt any ongoing operation by the Owner at the Project (if any) except to the extent any such disruption is a necessary result of performing a particular portion of the Work, in which case the contractor shall provide the Owner with reasonable advanced written notice and shall take all commercially reasonable measures to minimize the impact on the Owner and the Owner's

...

~~§~~ **operations.**

...

§ 3.4 Labor and Materials

PAGE 16

§ 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 Contract Documents require Work to be performed after regular working hours or should the Contractor elect to perform Work after regular working hours, the additional cost of such Work shall be borne by the contractor.

...

§ 3.4.4 The Contractor shall be responsible for all additional costs incurred to incorporate into the project substitute materials, products, or equipment approved by Owner during the bidding period.

...

§ 3.4.5 The Contractor shall exercise reasonable efforts, consistent with the provisions of the Contract Documents to obtain the maximum available cash discounts on all materials, provided that, in doing so, the Contractor shall not accept or use materials for incorporation into the Project which are of a type or quality not reasonably contemplated under the terms of the Contract Documents.

...

§ 3.4.6 After award of the Contract, a request for substitution of a material, product, or piece of equipment at no change in the Contract Sum will not be approved by the Owner or the Architect, unless the specified item is no longer manufactured, the specified item is unavailable as a result of an act of government such as a declaration of a national emergency, or delivery of the specified items is substantially delayed as a result of labor disputes affecting the manufacturer, unusual delay in transportation, or any other cause beyond control of the Contractor or a Subcontractor or material supplier which the Architect determines justified the delay. Requests will not be approved where the delay in delivery results from failure to promptly place subcontracts and material orders. Requests for substitution shall be submitted in writing to the Architect and shall clearly describe the proposed substitution, state

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

the reason for the unavailability of a specified item and be accompanied by such additional data and information as may be necessary in the discretion of the Owner and the Architect to establish the acceptability of the proposed substitute.

...

§ 3.4.6 The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect to evaluate the Contractor's proposed Substitutions and for changes made to the Contract Documents as a result of Owner's acceptance of such

...

~~§~~ Substitutions.

...

§ 3.5 Warranty

...

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4. The Contractor shall arrange for the Owner to have the benefit of and right to enforce all warranties by Subcontractors, Sub-subcontractors, suppliers, and manufacturers.

...

§ 3.5.3 Manufacturers' warranties and warranties by others shall not relieve the Contractor of any of its

PAGE 17

~~§~~ responsibilities.

...

§ 3.6 Taxes

...

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded. The Contractor shall be responsible for the Sewer Access (SAC) and Water Access (WAC) fees for the Project. The Contractor shall pay the SAC/WAC costs to the authorities having jurisdiction from the Allowance in the Base Bid for such charges as defined in the Construction Documents.

...

§ 3.7.3 If the Contractor performs Work knowing or believing it to be contrary to applicable laws, statutes, ordinances, building codes, rules and regulations, or lawful orders of public authorities, without such notice to the Architect and Owner, the Contractor shall assume ~~appropriate~~ full responsibility for such Work and shall bear the ~~costs attributable to correction.~~attributable costs, delays, and damages resulting from such failure to immediately notify the Architect and Owner of any such violation.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that 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, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than ~~14~~ ten (10) days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that 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 that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect 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 Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

PAGE 18

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the ~~Work.~~ Work including that performed by all Subcontractors. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications including and not limited to communications regarding design changes, alterations, substitutions, clarifications, cost changes, etc. shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. All communications given to the superintendent shall be confirmed in writing to the Contractor upon written request of either or both the superintendent and Contractor.

...

§ 3.9.3 The Contractor shall not employ a proposed superintendent or any other management personnel to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

...

§ 3.9.4 If requested by the Owner, the Contractor shall preplace the Superintendent at no additional cost to the Owner. No other change in this position shall be made without notice to and written consent of the

...

§ Owner.

...

§ 3.10 Contractor's Construction and Submittal Schedules

...

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, critical path schedule milestones, major construction milestones including and not limited to Civil, Demolition, Structural, Mechanical, Electrical, and Plumbing, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

...

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to and accepted by the Owner and Architect.

PAGE 19

The Contractor shall make available, at the Project site, one record copy of the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and ~~marked currently~~ updated daily to indicate field changes and selections made during construction, ~~and the~~ and in addition accepted and approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and ~~Owner,~~ Owner as required to complete routine inspections by Architect and Owner prior to any approval of payments to the Contractor, and delivered to the Architect for submittal to the Owner upon completion of the ~~Work as a record~~ Work. The Architect and Contractor must verify that all "as-built" Drawings, Specifications, Addenda, Change Orders, and other Modifications are up-to-date before Contractor's Application for Payment is acceptable and before the Owner incurs any duty to pay Contractor in accordance with the Contract. The record documents shall be a separate set of documents labeled "Record Documents" and used only for record purposes and kept clean and undamaged.

...

§ 3.11.1 No review or receipt of ~~the Work as constructed.~~such records by the Architect or Owner shall be considered a waiver of any deviation from the Contract Documents or approved shop drawings, or any way relieve the Contractor from its responsibility to perform the Work in accordance with 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~~ accepted by the Architect.

PAGE 20

§ 3.12.8 The Work shall be in accordance with ~~approved~~ accepted submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's ~~approval~~ acceptance of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written ~~approval~~ acceptance 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~~ acceptance 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 notice, the Architect's ~~approval~~ acceptance of a resubmission shall not apply to such revisions.

...

§ 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 construction by the Owner or a Separate Contractor

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall hire a professional utilities locator to verify locations of all public and private utilities prior to initiating any cutting work. the Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

...

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

PAGE 21

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, 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 or resulting from performance of the Work, 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), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity ~~that~~ which would otherwise exist as to a party or person described in this Section 3.18. The Contractor, furthermore, agrees to obtain, maintain, and pay for such general liability coverage and endorsements (including product and completed operations coverage) as will ensure the provisions of this paragraph. The Contractor agrees to reimburse the Owner, its agents and employees for all costs and disbursements, including attorneys' fees, paid or incurred to enforce the provisions of this paragraph.

...

§ 3.18.3 To the fullest extent permitted by law and without limiting any other indemnification obligations of the Contractor, except to the extent caused by the uncured failure of the Owner to make payment when required by the Contract Documents, the Contractor shall indemnify and defend the Owner, its officers, directors, assigns, lenders, agents, and employees from any liens, charges (including attorney's fees) or encumbrances (including but not limited to mechanic's and materialmen's liens or bond claims) arising out of or in connection with the performance of the Work by Contractor, its Subcontractors, or its material suppliers. Upon request of the Owner, the Contractor shall within 60 days remove any liens filed against the Owner or its property. If the Contractor fails to do so, the Owner is authorized by the Contractor to remove or satisfy any such liens, and the Contractor shall pay to the Owner all costs and damages incurred by the Owner to do so, including attorneys'

...

~~**ARTICLE**~~ **~~fees.~~**

...

ARTICLE 4 ARCHITECT

PAGE 22

§ 4.1.3 In the event the employment of the Architect is terminated, the Owner may employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

§ 4.1.4 Disputes arising under Subparagraphs 4.1.2 and 4.1.3 shall be subject to action at law as provided in Paragraph 15.3.

...

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be ~~an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have~~ the Owner's consultant (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the correction period described in Paragraph 12.2. The Architect will advise and consult with the Owner. The Architect will have the authority to act on behalf of the Owner only to the extent provided in the Contract ~~Documents.~~Documents, unless otherwise modified in writing in accordance with other provisions of the Contract.

...

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality ~~of the portion of the Work completed,~~ of the Work completed, to endeavor to guard the Owner against defects and deficiencies in the Work, and to determine in general if the Work ~~observed~~ 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. On the basis of on-site observations as an architect, the Architect will keep the Owner informed of progress of the Work and will endeavor to guard the Owner against defects and deficiencies in the Work.

...

§ 4.2.2.2 The Contractor shall reimburse the Owner for compensation paid to the Architect for additional site visits made necessary by the fault, neglect, or request of the Contractor.

...

~~Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the~~ **§ 4.2.3** The Architect will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the ~~Contractor's rights and responsibilities under the Contract Documents.~~

...

~~**§ 4.2.3** On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.~~ Contractor's responsibility as provided in Paragraph 3.3. The Architect will not be responsible for the Contractor's failure to ~~perform~~ carry out 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.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the ~~Owner.~~ Owner unless otherwise provided. The Contract Documents may specify other communication protocols. The Owner may require the Architect and the Contractor to comply with Owner requirements in regards to public communications and site signage.

...

§ 4.2.5 Based on the Architect's ~~evaluations~~ observations and valuations of the Work and of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

...

§ 4.2.6 The Architect ~~has~~ will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or ~~advisable,~~ advisable for implementation of the intent of the Contract Documents, the Architect will have authority to require additional inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

PAGE 23

§ 4.2.7 The Architect will and the Owner may 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 in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness~~ or Owner's action will be taken 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 by the Architect or the Owner 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 or the Owner'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 or the Owner's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's ~~approval~~ or Owner's acceptance of a specific item shall not indicate ~~approval~~ acceptance of an assembly of which the item is a component.

...

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

...

§ 4.2.12 Interpretations and decisions 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 interpretations

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions so rendered in good faith.

PAGE 24

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect in writing of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection. The Contractor shall not employ any subcontractor or use any material to which the Architect or Owner may object as incompetent or unfit, or where there is reason to assume the Work will not be accomplished in accordance with the Contract Documents. Prior to the employment of the named subcontractors, the Contractor must obtain the Owner's approval of such subcontracts for the designated portion of the Work.

...

§ 5.2.2.1 The right to reject any Subcontractor or Sub-subcontractor will be exercised by the Owner or the Architect when in the reasonable opinion of either of them the proposed Subcontractor or Sub-subcontractor:

1. cannot provide (or proposes unacceptable deviations in) materials, equipment, systems, methods, facilities, or other work as required by the Contract Documents;
2. cannot provide labor and skill necessary to accomplish the part of the Work for which it is proposed, including but not limited to quality of craft;
3. lacks experience appropriate to the proper execution and completion for that part of the Work for which the Subcontractor or Sub-subcontractor is proposed;
4. has previously failed to perform satisfactorily with respect to other projects, including cooperation and necessary services after project completion;
5. cannot satisfactorily perform the part of the Work for which the Subcontractor or Sub-subcontractor is proposed within the time schedule, due to financial status, size of organization, existing workload or other considerations;
6. cannot demonstrate ability, through examples of representative work, to perform the part of the Work for which the Subcontractor or Sub-subcontractor is being considered; or
7. exhibits other factors bearing on the probability of unsatisfactory performance.

...

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. ~~If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time~~ The Contract Sum shall be increased or decreased by the difference, ~~if any,~~ in cost occasioned by such change, and an appropriate Change Order shall be issued~~before commencement of the substitute Subcontractor's Work.~~ . However, no increase in the Contract Sum ~~or Contract Time~~ shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required. Notwithstanding the foregoing, the Contractor shall have a continuing duty to the Owner and Architect to find and propose such persons or entities as shall not result in material increase in the Contract Sum, or a material decrease in the quality of Work contemplated under the Contract Documents.

...

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution. Any proposed substitution or a subcontractor, person, or entity for one previously selected shall be made in a separate writing to the Owner and Architect. No substitution shall be deemed approved/accepted without written confirmation from the Owner and Architect. Neither acceptance of, nor objection to a Subcontractor or Sub-subcontractor, material supplier, or other person or organization by the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Owner and the Architect shall limit the responsibility of the Contractor to furnish materials, products, equipment, and services in conformance with the requirements of the Contract Documents.

PAGE 25

By appropriate 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 that the Contractor, by these Contract 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. Where appropriate, 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 that may be at variance with the Contract Documents. Subcontractors ~~will~~ shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

...

§ 5.3.2 The Contractor, not the Owner, is responsible for the performance of, the actions of, the timeliness of, or interference caused by, Subcontractors, Sub-subcontractors (of any tier), and others directly or indirectly under contract to the

...

§ Contractor.

...

§ 5.4 Contingent Assignment of Subcontracts

PAGE 26

§ 6.1.3 The Owner shall provide for 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 Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised. The Contractor shall schedule, coordinate, and cooperate fully with all other contractors. The Contractor shall take all reasonable steps necessary to assure scheduling, coordination, and cooperation among the contractors.

...

§ 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 notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work 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. The Contractor shall not be responsible

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not ~~apparent.~~reasonably discoverable.

...

§ 6.2.3 ~~The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.~~Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

...

§ 6.2.5 Claims and other disputes and matters in question between the Contractor and a separate contractor shall be subject to the provisions of Article 15 provided the separate contractor has reciprocal obligations.

...

§ 6.2.6 The Owner and each ~~Separate Contractor~~ separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in ~~Section~~ Paragraph 3.14.

...

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,~~ rubbish as described in Paragraph 3.15, the Owner may clean up and ~~the Architect will~~ allocate the cost among those ~~responsible.~~responsible as the Architect determines to be just.

...

§ 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.~~

PAGE 27

§ 7.1.4 The amount of credit to be allowed by the contractor to the Owner for any deletion or change which results in a net decrease in the Contract Sum will be the amount of the actual net cost as confirmed by the Architect after consultation with the Owner. When both additions and credits covering related Work or substitutions are involved in any one change, the allowance for both overhead and profit shall be figured on the basis of the net increase or decrease, if any, with respect to that change.

...

§ 7.1.5 In Paragraph 7.3.6, the allowance for the combined overhead and profit included in the total cost to the Owner shall be based on the following schedule:

1. For the Contractor, for Work performed by the Contractor's own forces, ten percent (10%) of the cost,
2. For the Contractor, for Work performed by the Contractor's Subcontractor, five percent (5%) of the amount due the Subcontractor.
3. For each Subcontractor or Sub-subcontractor involved for Work performed by the Subcontractor's or Sub-subcontractor's own forces, ten percent (10%) of the cost.
4. For each Subcontractor for Work performed by the Subcontractor's Sub-subcontractor, five percent (5%) of the amount due the Subcontractor.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

5. Costs to which overhead and profit is to be applied shall be determined in accordance with Subparagraph 7.3.6.
6. In order to facilitate checking of quotations for extras or credits, all proposals, expect those so minor that their propriety can be seen by inspection, shall be accompanied by a complete itemization of costs, including labor, materials and subcontracts. Labor and materials shall be itemized in the manner prescribed above. Where major cost items are subcontracts, they shall be itemized also. In no case will a change involving over $500 be approved without such itemization.

...

§ 7.2.2 Change Orders shall be prepared on AIA Document G701.

PAGE 28

.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or ~~others;~~others (at rates approved by the Owner);

...

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement 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.~~.

...

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for ~~Payment.~~ Payment up to and not exceeding $25,000. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

...

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in ~~writing.~~ writing and approved by the Owner. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

...

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons or entities for whom the Contractor is responsible.

PAGE 29

§ 8.1.4 The term "day" ~~as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.~~shall mean calendar day of 24 hours beginning at 12:00 midnight. Calendar days as stated in the Contract Documents, shall include all days of a seven (7) day week including Saturdays, Sundays, and holidays. The term "Milestone Date" is, in each instance, the date established in the Contract Documents for the Substantial completion of all or a designated portion of the Work.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract ~~Time.~~Time and shall achieve specific contractual Milestone Dates (if any), Substantial Completion and final Completion within the time stated in the Contract Documents..

...

§ 8.2.4 Contractor understands and agrees that all Work must be performed in an orderly and closely coordinated sequence so that the dates for Substantial Completion, Final Completion, and Milestone Dates (if any) may be met by the Contractor.

...

§ 8.2.5 Timely final Completion of the Project being of critical importance to the Owner, Contractor agrees that they shall substantially complete all Work under the Contract documents within the time established herein and that they shall finally complete the Work in the detail required and in the time required by the Contract Documents.

...

§ 8.2.6 To the extent that the Contract Documents contain or provide for specific contractual Milestone Dates in addition to Final and Substantial Completion dates, such dates shall be adhered to and shall be the last acceptable dates for those milestones and completions, unless modified by the Owner.

...

§ 8.2.7 Notwithstanding anything to the contrary contained in the Contract Documents, in the event that any Contractor fails, or appears likely, in the reasonable opinion of the Owner, to fail to complete a critical portion of their Work on time or to complete any dates for Substantial Completion, Final Completion, or Milestone Dates as evidenced by the latest update of the CPM Schedule Report, the Owner shall have the right to select and require Contractor's performance under any or all of the following operations:

1. Require the Contractor to substantiate their capability to get back on schedule within two (2) days;
2. Require the Contractor, at no additional cost to the Owner, to increase their work force, work overtime and/or extra shifts and do whatever else is required by the Owner until the Contractor gets back on schedule as established by the CPM Schedule Report (including any updates thereto);
3. Withhold progress payments or portions thereof until such time as the contractor returns to schedule, but only related to Substantial Completion or Final Completion;
4. Contact or visit the factory, plant, or distribution center whose production or delivery schedule may be critical to the scheduled completion of a portion of the contract work and expedite such production delivery at Contractor's expense; or
5. Require the Contractor to complete, in detail, and submit weekly a Short Interval Schedule (SIS) showing: 1) planning for the next two weeks; 2) work completed for the previous week; 3) sufficient detail to evaluate daily milestone (if any) and manpower/equipment loading, and shall identify/tie into the monthly updated CPM Schedule Report.

...

Any costs incurred by the Contractor in fulfilling the option(s) selected by the Owner shall be at the Contractor's expense.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 8.3.1 If the Contractor is delayed at any time in the ~~commencement or~~ progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; ~~(4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5)~~ or (4) by other causes that the Contractor asserts, and the Architect determines, justify delay, then subject to the conditions hereinafter set forth, the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine. Requests for extensions of time for causes enumerated above will be considered by the Architect only under the following conditions:

1. Only those conditions enumerated above over which the Contractor has no control will be considered. The burden of proof to substantiate the claim for an extension shall rest with the Contractor, including evidence that the cause was beyond their control. It shall be deemed the Contractor has control over the supply of labor, materials, equipment, methods, techniques, and over their subcontractors and suppliers.
2. In the event of Changes in the Work, any consideration for a time extension will be made only at the time of authorizing the changes, and no later than when the Change Order is prepared, and only if the Change Order significantly affects the time and progress of the entire Work. For changes which do not affect the entire Work, time extension may be granted only for the area, phase, unit, or element affected by the change, if due to a valid reason for a time extension;
3. Any unusual delay in deliveries will not be considered unless it is solely due to transportation. An extension of time will not be granted for delays in deliveries where said delivery was not properly scheduled or when orders were not promptly and properly placed;
4. With respect to a claim for an extension of time as a result of climatic conditions, the Contractor shall recognize the location of the site and the existence, as normal, or variations from "average" conditions. Foul weather in itself will not be a valid reason for a time extension. Requests for time extensions because of delay resulting from weather extremes will not be considered unless a substantial variation from usual weather conditions occurs for a significant period of time, during phases of the Work when operation necessarily were suspended to a significant degree when they would otherwise have been in progress. In considering the time extension, the weather conditions both before and after the period in which the delay is claimed will be evaluated with credit given for unseasonably favorable weather;
5. Delays resulting from a labor dispute will not result in a time extension of a longer period than the dispute, plus a reasonable time for mobilization if justified and necessary as approved by the Architect, and may be less depending on the impact of the dispute, including what operations were suspended or curtailed;
6. A delay in the overall Project progress actually occurred and clearly disrupted the total Project programs as a result of one of the valid causes for time extension. An extension of time for parts, phases, or stages may be granted where a valid delay indicated such partial time extension is justified;
7. No time extension will be granted as a result of improper scheduling or for failure to have shop drawings or samples submitted in ample time for review under a reasonable and agreed upon schedule; or
8. Delays by subcontractors or suppliers will not be considered justification for a time extension, expect for the same valid reasons and conditions enumerated under Subparagraph 8.3.1.

...

§ 8.3.4 The Contractor shall be responsible for all Owner incurred costs associated with a Contractor related to delay in completion of the Project. These costs may include, but are not limited to, Owner staff overtime, Consultant additional fees, additional testing, and/or additional rental or storage costs. A Change Order or Construction Change Directive will be issued to cover these costs. If a Change Order is not agreed to by the Contractor, the Owner, after presenting documentation to the Contractor, may deduct these amounts without a Change Order from the Contract Sum. This is subject to the right of either party to disagree and assert a claim in accordance with Article

...

~~ARTICLE~~ 15.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

ARTICLE 9 PAYMENTS AND COMPLETION

PAGE 31

~~Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be~~ Before the first Application for Payment, the Contractor shall submit to the Architect a schedule of values allocated to various portions of the Work, prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. ~~This~~ The schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment. The Contractor, after receipt of Notice to Proceed, shall meet with the Owner and the Architect for the purpose of reviewing the Project CPM Schedule and the Contract Schedule of Values. The Contractor shall develop a CPM Schedule for completing their portion of the Work, in conjunction with all other Contractors or Bid Packages, at the Pre-Construction Meeting(s). The Schedule of Values is to be broken down into specification sections and by labor and materials.

...

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment ~~prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required,~~ for operations comp0leted in accordance with the Schedule of Values. Such application shall be notarized and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and ~~suppliers, and shall reflect~~ material suppliers, and reflecting retainage if provided for elsewhere in the Contract Documents. The form of Application for Payment shall be a notarized AIA Document G702, Application and Certification for Payment, supported by AIA Document G703, Continuation Sheet.

...

§ 9.3.1.2 ~~Applications for Payment~~ Such applications shall not include requests for payment ~~for portions of the Work for which~~ of amounts the Contractor does not intend to pay a Subcontractor or supplier because of a dispute or other reason.

...

§ 9.3.1.2 Following certification of the Application for Payment by the Architect, the Owner shall pay 95% of its value, retaining 5% until Final Completion.

...

~~or supplier, unless such Work has been performed by others whom the Contractor intends to pay.~~**§ 9.3.1.3** Contractor shall provide lien waivers for itself for the current payment application and for Subcontractors, Sub-subcontractors, and suppliers for the pervious payment application before the Contractor has earned or has the right to receive payment for the specific items of work or materials covered by the lien waivers. All lien waivers shall be provided in the form required by the Owner. This Paragraph shall not limit other obligations of the Contractor contained elsewhere to provide lien waivers.

PAGE 32

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 9.3.4 In each Application for Payment, the contractor shall certify as follows: "That there are no known mechanics' or materialmen's liens or stop notice claims outstanding by the application or any of its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers, or laborers at the date of this application, that all due and payable bills with respect to the Work have been paid or are included in the amount requested in current application, and that, except for such bills, not paid by Owner, but so included, there is no known basis for the filing of any mechanics' or materialmen's liens or stop notice claims on the Work, and that waivers from Contractor, its subcontractors of any tier, or any of the applicant's or subcontractor's material suppliers and laborers have been obtained in such form as to constitute an effective waiver of liens or stop notice claims, under the laws of the State of Minnesota to the extent of payments made by Owner to Contractor."

...

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's observations at the site, evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. 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 completion, and to specific qualifications expressed by the Architect. 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 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.

PAGE 33

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment within thirty (30) days of receipt by Owner of Certificate of Payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

...

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the 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. Per Minnesota Statute 471.425, within ten (10) days of Contractor's receipt of payment from Owner, the Contractor must pay any Subcontractor for any undisputed services provided by the Subcontractor. The Contractor shall pay interest of one and one-half percent (1-1/2%) per month, or any part of a month, to the Subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10.00. For an unpaid balance of less than $100, the Contractor shall pay the actual interest penalty due to the Subcontractor. Contractor is advised that by reason of Minnesota Statute 471.425, Subd. 4a, if a Subcontractor prevails in a civil action to collect interest penalties from a prime contractor, the Subcontractor must be awarded its costs and disbursements, including attorney's fees incurred in bringing the action.

...

§ 9.6.5 The Contractor's payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

PAGE 34

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within ~~seven~~ thirty (30) days after the date established in the Contract Documents, the amount certified by the Architect~~or awarded by binding dispute resolution,~~ , then the Contractor may, upon ~~seven~~ ten (10) additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, ~~plus interest as provided for in the Contract Documents.~~which shall be accomplished as provided in Article 7.

...

§ 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.~~use and when the Architect issues a certificate of Substantial Completion.

...

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected~~prior to final payment.~~ . The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not in accordance with the requirements of the Contract documents, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item, upon notification by the Architect. The Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion. When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Document shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

...

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

...

~~Upon such acceptance, and consent of surety if any,~~ **§ 9.8.6** Upon Substantial completion of the Work or designated portion thereof and upon application by the Contractor and certification by the Architect, the Owner shall make payment, reflecting adjustment in retainage, if any, for such Work or portion thereof as provided in the Contract Documents.

PAGE 35

§ 9.8.6.1 The retainage is for the performance of the Contractor. Nothing in this Agreement connects the retainage to the Subcontractors. Upon satisfactory completion of the Project, and full payment by the Owner to the Contractor for the Work of any Subcontractor, the Subcontractor is to be paid in full. The Owner, at its sole discretion, may continue or make adjustments of the full retainage for the performance of the Contractor.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~shall make payment of retainage applying to the Work or designated portion thereof. Such payment~~ **§ 9.8.6.2** Prior to requesting a reduction of retainage, the Contractor shall obtain in writing an agreement from the Surety agreeing to such a reduction. In reducing retainage, the Contractor shall use the retainage to make full payment to Subcontractors who have completed 100% of their work. The Contractor shall provide to the Owner documentation of payment to Subcontractors and an agreement for retainage deduction from the Surety of the Subcontractor.

...

~~shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.~~**§ 9.8.7** The Architect shall make inspection(s) for Substantial Completion and Final Completion in accordance with the AIA Document B101 Owner Architect Agreement. If additional inspections are required due to the Contractor's failure to complete previously listed corrective or uncompleted work, the Architect's expense for conducting such re-inspections and related time in processing, reviewing, and revision of requirements shall be charged to the Contractor and such payment shall be accomplished by a deductive Change Order to the Contractor.

...

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds 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 observations, on-site visits and inspections, the Work has been completed in accordance with 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.

PAGE 36

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to 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, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in ~~effect,~~ effect and will not be canceled or allowed to expire until at least sixty (60) days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, ~~and (6) if required by the Owner,~~ including a summary listing all applicable warranties both standard and extended, itemized by specification section and included at the front of the Operation and Maintenance manuals, and (6) other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance 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 the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

...

§ 9.11 DAMAGES FOR DELAY

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

§ 9.11.1 The Contractor shall be responsible for damages incurred by the Owner and any other separate contractors for delay resulting from the Contractor's failure to complete the Work within the contract Time or resulting from the progress of the Work failing to substantially conform to the Project Construction Schedule.

...

§ 9.11.2 If the Contractor is delayed by the Owner, Architect, or any agent or employee of any of the foregoing, the Contractor's sole and exclusive remedy for the delay shall be the right to a time extension for completion of the Contract and not damages. This paragraph does not preclude Contractor's recovery of damage for contractor-caused delays under other provisions of the Contract

...

~~ARTICLE~~ Documents.

...

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

...

§ ~~10.1~~ 10.1.1 Safety Precautions and Programs

...

§ 10.1.2 The Contractor shall comply with all applicable laws and regulations. Notwithstanding any language to the contrary, the Owner shall not have any responsibility for job site inspections or safety recommendations. Any inspections or observations by the Owner or the Architect are solely for the benefit of the Owner and shall not create any duties or obligations to anyone

...

~~§~~ else.

...

§ 10.2 Safety of Persons and Property

PAGE 37

If either party suffers injury or ~~damage~~damages to person or property because of an act or omission of the other party, of any of the other party's employees or agents, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding ~~21 days after discovery.~~ ten (10) days after first observance. The notice shall provide sufficient detail to enable the other party to investigate the matter. If a Claim for additional cost or time related to this Claim is to be asserted, it shall be filed as provided in Paragraphs 15.1.4 and 15.1.5.

...

§ 10.3.1 ~~The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not~~

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

~~addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.~~In the event the Contractor encounters on the site material reasonably believed to be asbestos or polychlorinated biphenyl (PCV) which has not been rendered harmless, the Contractor shall immediately stop Work in the area affected and report the condition to the Owner and Architect in writing. The Work in the

...

~~§ 10.3.2~~ ~~Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be 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 the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon~~ affected area shall not thereafter be resumed except by written agreement of the Owner and Contractor if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has not been rendered harmless. The Work in the affected area shall be resumed in the absence of asbestos or polychlorinated biphenyl (PCB), or when it has been rendered harmless, by written agreement of the Owner and Contractor.~~By Change Order, the Contract Time~~

1. Except where otherwise stated in the Contract Documents, no hazardous material work of any nature shall be performed by the Contractor pursuant to this Contract.
2. The term "hazardous materials" includes, but is not limited to, asbestos, toxic chemicals, acids, alkalis, irritants, contaminants, or other pollutants, together with any other waste, material, substance, pollutants, or contaminant, all or a portion of which is or would be designated as hazardous waste or substance under applicable local, state, or federal laws, ordinances, codes, rules, or regulations.

PAGE 38

§ 10.3.2 The Contractor shall ~~be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.~~not be required pursuant to Article 7 to perform without consent any Work relating to asbestos or polychlorinated biphenyl (PCB)

...

§ 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 or resulting from performance of the Work in the affected area if in fact the material ~~or substance presents the risk of bodily injury or death as described in Section 10.3.1~~ is asbestos or polychlorinated biphenyl (PCB) and has 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), ~~except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.~~including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of the Owner, anyone directly or indirectly employed by the Owner, or anyone for whose acts the Owner may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Subparagraph 10.3.3.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 10.3.4 ~~The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.~~If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered on the site by the contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. The Owner, Contractor, and Architect shall then proceed in the same manner described in Subparagraph 10.3.1.

...

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence. Owner shall be responsible for obtaining the services of a licensed laboratory to verify a presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless.

...

§ 10.3.6 Regulations concerning the availability of information and employee training in the use and handling of "hazardous substances" and "harmful physical agents", as set forth in the Employee Right-to-Know Act of 1983, Minnesota Statutes Section 182.65 to 182.676 are incorporated herein by reference as if fully set forth herein.

...

§ 10.3.7 The Contractor shall furnish three Material Safety Data Sheets to the Owner for each material used in the Work that is classified by the Employee Right-to-Know Act of 1983 as a "hazardous substance" or a "harmful physical agent."

...

§ 10.3.8 The Contractor shall label, in generally accepted and/or standardized fashion, all containers on the work site containing "hazardous substances" or as "harmful physical agents." This shall include factory containers and all subsequent containers used in the Work.

...

§ 10.4 The Owner shall not be responsible under Section 10.3 for materials and substances brought to the site by the Contractor unless such materials or substances were required by the Contract Documents.

...

§ 10.5 MISCELLANEOUS GENERAL PROVISIONS

...

§ 10.5.1 In occupied facilities from the time the Work is begun until the Contract is completed, the Contractor shall be responsible for coordinating care and control of their contracted responsibilities with the Owner on the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

construction premises. The Contractor shall maintain all the Contractor's Work areas on the Project site in first class condition during term of operation under this Contract.

PAGE 39

§ 10.5.2 The Contractor shall give full protection to existing adjacent buildings and occupants. The Contractor shall replace or repair, at the Contractor's own expense, all damage to existing buildings, sidewalks, curbs, drives, fences, planters, signage, monuments, lawns, plants, trees, and shrubbery arising as a result of Work performed under the Contract.

...

§ 10.5.3 Utilities encountered, whether shown on Project Drawings or not, shall be protected and maintained in service until moved or abandoned. The Contractor shall exercise care in the excavation around such utilities as may be shown on the Project Drawings or otherwise found, and which are not to be moved, replaced, or abandoned, and shall restore any damaged items or Work to the same conditions (or better) as existed prior to starting Work. Utilities or other service shown to be abandoned shall be maintained in service until facilities are provided, tested, and ready to use. The Contractor shall take all reasonable precautions in working in the area of excavation to avoid personal injury or property damage resulting from interception or interruption of electrical, telephone, sewer, water, gas, or other services, and shall also cause all Subcontractors, Sub-subcontractors material suppliers, laborers, and other persons on the construction premises to take such precautions. The location and nature of such concealed or buried services is not guaranteed or completely indicated by Owner or Architect.

...

§ 10.5.4 The Contractor shall at all times take reasonable and adequate precautions to protect the Work from damage by the elements, including flooding, rainstorms, windstorms, and any other elements or natural events, etc., and shall not expose the Work of any other contractor to such damages. Where the Contractor, any Subcontractor, or any Sub-subcontractor prepares or erects any material during any season of the year when freezing weather may be anticipated, the Contractor shall employ (and shall cause such Subcontractor or Sub-subcontractor to employ) such methods as may be necessary to render such Work equal in every respect to similar Work done under favorable conditions and the Contractor shall exercise (and shall cause any such Subcontractor or Sub-subcontractor to exercise) reasonable care and diligence to prevent its damage or deterioration. The Contractor shall be responsible for maintaining the building an a dry condition until acceptance. The Contractor shall be responsible for any damage from water, as well as for damage, collapse, or failure of any part of the building caused by excess water undermining or creating pressures on the structures.

...

§ 10.5.5 The Contractor shall not sue any internal combustion machinery that causes noxious, harmful, or toxic fumes inside an enclosed building. When use of internal combustion machinery is unavoidable inside enclosed buildings, the Contractor shall obtain written approval from the Owner prior to use of the machinery and shall provide full ventilation to the outside of the enclosed building for the exhaust of the internal combustion machinery. The Contractor shall locate internal combustion machinery outside an enclosed building so that the exhaust fumes will not enter the building through vent ducts, doors, windows, or other openings in the building.

...

§ 10.5.6 If, without negligence on the part of the Contractor, the Contractor is held liable ~~by a government agency~~ for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

the Contract Documents, the Owner shall ~~reimburse~~ indemnify the Contractor for all ~~cost and expense thereby incurred.~~ reasonable costs and expenses thereby incurred.

...

§ ~~10.4 Emergencies~~ 10.6 EMERGENCIES

...

In an emergency affecting safety of persons or property, the Contractor shall ~~act, at the Contractor's discretion,~~ act 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 Article 15 and Article 7.

...

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the ~~Agreement~~Agreement, in EXH-C.3 Owner Insurance, or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is ~~located.~~ located and which carry a Best's rating of A- or higher or are otherwise acceptable to the Owner. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

PAGE 40

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished. The Contractor shall furnish Certificates of Insurance acceptable to the Owner which shall specifically set forth evidence of all coverage required by Article 11 and EXH-C.3 Owner Insurance and shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance.

...

The Contractor shall not allow insurance required by this Agreement to lapse, be canceled, reduced in limits or coverage, non-renewed, or materially changed or have restrictive modifications added during the life of this Agreement, including the periods of required coverage. The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

...

If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, all additional certificates evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

...

§ 11.1.3.1 Acceptable insurance certificates are AIA Document G705, CICC of Minnesota Form 701, and/or ACORD form of the American Insurance Institute.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Failure of the Owner to collect certificates does not void the requirements to obtain insurance.

...

The acceptance of any certificate of insurance by the Owner shall not relieve or decrease the liability of the Contractor hereunder. It is to be understood the Owner and Architect do not in any way represent that the insurance specified in these articles are sufficient or adequate to protect the Contractor's interest or liabilities, but are merely minimum requirements.

...

The Contractor shall furnish to the Owner copies of any endorsements that are subsequently issued amending coverage and limits.

...

§ 11.1.4 In the event the Contractor fails to procure or maintain any insurance coverage required under this Agreement, the Owner may purchase such coverage and deduct the cost thereof from any monies due to the Contractor, or terminate this Agreement under Paragraph 14.2. The Contractor shall be liable to the Owner for providing all coverage, defense, and payments that would have been provided by any insurance that the Contractor failed to procure and maintain as required by the Contract Documents.

...

§ 11.1.5 Compliance by the Contractor with the foregoing insurance requirements shall not relieve it from liability for amounts in excess of the limits of insurance.

...

§ 11.1.6 The Contractor and any of its Subcontractors, Sub-subcontractors, agents and employees, and any separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees shall waive any of their subrogation rights on their Workers Compensation Policy in favor of the Owner and Architect. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogration 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.

PAGE 41

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner may self-insure and maintain the Owner's usual liability insurance. Optionally, the Owner may purchase and maintain other insurance for self-protection against claims which may arise from operations under the Contract. The Contractor shall not be responsible for purchasing and maintaining this optional Owner's liability insurance unless specifically required by the Contract Documents.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~**§ 11.3.2** If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.~~

PAGE 42

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall ~~deposit the insurance proceeds in a separate account and~~ make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

...

§ 11.6.1 Contractor shall furnish a Performance Bond and a Payment Bond to the Owner in the amount of one hundred percent (100%) of the Contract Sum and issued by a Surety Company authorized to do business in the State of Minnesota, rated "A" or better, and approved by the Owner. The Performance Bond shall be in accordance with Minnesota Statutory requirements, and shall be in the form included in the Project Manual. The Bonds shall allow for any additions or deductions to the Contract Sum.

...

§ 11.6.2 In order to be acceptable as a surety, Contractor's bonding company bust hold a "Certificate of Authority" acceptable to the U.S. Treasury Department and be listed in the Department's current publication of "Bond Qualifiers" with underwriting limitations not less than ten percent (10%) above the Contract Sum.

...

§ 11.6.3 The surety of the Bonds shall be by a corporate surety company authorized to do business in the state in which Work is being performed under this Contract and acceptable to the Owner. The conditions of the bonds shall meet requirements of the statutes of the state where Work is being performed and all other applicable provisions of state law.

...

§ 11.6.4 The Contractor shall furnish two (2) originals of the Bonds to the Architect within ten (10) days after notification of award and before execution of the Contract. Failure to do so shall constitute a violation of terms of the proposal and provide grounds for forfeiture of bid security.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. ~~Costs~~ The Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary ~~thereby, shall be at the Contractor's expense.~~thereby.

...

§ 12.2.2.1 ~~In addition to the Contractor's obligations under Section 3.5, if,~~ 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 any 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~~promptly(and any other property damaged or removed in effecting the correction) after receipt of notice from the Owner and/or Architect to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner and/or Architect shall give such notice promptly after discovery of the condition. ~~During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. 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 2.5.~~This period of

...

§ 12.2.2.2 ~~The one-year period for correction of Work~~ one year shall be extended with respect to portions of Work first performed after Substantial ~~Completion~~ completion by the period of time between Substantial ~~Completion and the actual completion of that portion of the Work.~~completion and the actual performance of the Work. This obligation under this Subparagraph 12.2.2.1 shall survive acceptance of the Work under the contract and termination of the Contract. The Owner and/or Architect shall give such notice promptly after discovery of the

...

§ 12.2.2.3 ~~The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.~~ condition. The expiration of the above one year or any other specified time period, or any other period prescribed by the law, shall not relieve the Contractor of the obligation form the expense to correct any latent defect in the work or deficiencies which are not readily ascertained, including but not limited to, defective materials and quality of work performed, defects attributable to material substitutions for special materials, substandard performance or otherwise not in compliance with the Contract Documents. Such latent defects or deficiencies shall be corrected as provided in this Paragraph 12.2. Following the correction or replacement of any of the Work, as above specified, the Contractor shall correct any defects or deficiencies in the corrected or replaced materials and workmanship which is found within one year after the date of correction or replacement.

...

§ 12.2.4 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 2.4. If the Contractor does not proceed with correction of such nonconforming Work within a reasonable time fixed by written notice from the Architect, the Owner may correct or remove it and store the salvageable materials or equipment all at the Contractor's expense. If the Contractor does not pay costs of such removal and storage within ten (10) days after written notice, the Owner may upon ten (10) additional days' written notice sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

deducting costs and damages that should have been borne by the Contractor, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.

...

§ 12.2.5 The Contractor shall bear the cost of correcting destroyed or damaged ~~construction of the Owner or Separate Contractors,~~ construction, whether completed or partially completed, ~~caused by the Contractor's~~ of the Owner or separate contractors caused by the Contractor's correction or removal of Work ~~that~~ which is not in accordance with the requirements of the Contract Documents.

...

§ ~~12.2.5~~ 12.2.6 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the ~~Contract Documents. Establishment of the one-year period for correction of Work as described in Section~~ contract documents. Establishment of the time period of one year as described in Subparagraph 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has 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 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~~ Contractor's liability with respect to the ~~Contractor's~~ Contractor's obligations other than specifically to correct the Work.

PAGE 44

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. ~~Unless otherwise provided, the Contractor~~ The Owner 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.~~ authority. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may ~~be present for~~ observe such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

...

§ 13.4.2 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 13.4.1, the Architect will, upon written 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~~ a minimum of two (2) working days' notice to 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 13.4.3, shall be at the Owner's expense.~~observe procedures. The Owner shall bear such costs, except as provided in Subparagraph 13.4.3.

PAGE 45

§ 13.5 ~~Interest~~NON-DISCRIMINATION

...

~~Payments due and unpaid under the Contract Documents shall bear interest~~ **§ 13.5.1** All contracts between the Owner and companies providing goods and services under the Contract Documents (including the Architect and Contractor) shall contain the following equal opportunity and civil right clause:

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

"During the performance of this Agreement, the provider agrees to the following: No contractor, material supplier, vendor, or other person shall on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from ~~the date payment~~ full employment rights in, participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, service, or activity under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964."

...

Upon request, the provider shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The provider shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

...

The provider acknowledges that the violation of the above-stated paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

...

~~due at~~ This Agreement may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under this Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

...

~~the rate the parties agree upon~~ **§ 13.5.2** During the completion of the work and all other services required by the Contract Documents, the Architect and Contractor agree that no contractor, material supplier, vendor, or other person shall, on the basis of sex, race, creed, color, religion, national origin, age, marital status, sexual orientation, or disability be excluded from full employment rights in participation in, be denied the benefits of, or be otherwise subjected to discrimination under the provisions of any and all applicable Federal and State laws against discrimination, including the Minnesota Human Rights Act and the Civil Rights Act of 1964. Upon request, the Architect and Contractor shall furnish all information and reports required by the Owner, or by the rules and regulations of investigation to ascertain compliance with all applicable rules and regulations. The Architect and Contractor shall also comply with any applicable licensing requirements of the Minnesota Department of Human Services in employment of personnel.

...

Architect and Contractor acknowledge that the violation of the above-states paragraph is a misdemeanor pursuant to Minnesota Statutes Section 181.59.

...

The Contract Documents may be cancelled or terminated by the Owner or any other person authorized to grant the contracts for employment under this Agreement, and all money due, or to become due under the Agreement may be forfeited for a second or any subsequent violation of the non-discriminatory terms stated above.

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

PAGE 46

~~in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.~~ **§ 13.6** No action or failure to act by the Owner shall constitute a waiver of a right or duty afforded the Owner under the Contract Documents, nor shall such action or failure to act constitute approval of or acquiescence of the Owner in a breach of the Contract Documents, except as may be specifically agreed in writing. None of the approval of any Application for Payment, the making of any payment, the giving of any approval or consent, the use or occupancy of the Work, or any part thereof, the making of final payment, or any other action or inaction on the part of the Owner or Architect shall constitute a waiver of claims by or rights of the Owner or an acceptance of any Work that is not in accordance with the Contract Documents. The Contractor shall not be relieved from its obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the representations of the Owner or Architect, or by inspections, tests, or approvals required or performed by the Owner or Architect or anyone else.

PAGE 47

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases or decreases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include reasonable profit. No adjustment shall be made to the extent

...

~~**§ 14.4.3** In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts; and the termination fee, if any, set forth in the Agreement.~~

PAGE 48

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within ~~21~~ ten (10) days after occurrence of the event giving rise to such Claim or within ~~21~~ ten (10) days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Any additional Claim made after and relating to the initial Claim has been implemented by Change Order will not be considered unless submitted in a timely manner.

...

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by written notice to the other party. In such event, no decision by the Initial Decision Maker is required.

...

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. Subject to paragraph 15.1.5, no such continuing performance by the Contractor, nor payment by the Owner shall be deemed a waiver of, or to otherwise impair any such Claim.

...

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

§ 15.1.6.1 If the Contractor wishes to make a Claim for ~~an~~any increase in the Contract Time, notice as provided in Section 15.1.3 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.

...

~~§ 15.1.7 Waiver of Claims for Consequential Damages~~15.2 Initial Decision

...

~~The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes~~**§ 15.2.1** Claims, including those alleging an error or omission by the Architect, shall be referred initially to

...

~~.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~~the Architect for action. A decision by the Architect, as provided by Subparagraph 15.2.2, shall be required as a condition precedent to action at law or litigation of

...

~~.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, except anticipated profit arising directly from the Work.~~a Claim between the Contractor and Owner as to all such matters arising prior to the

...

~~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 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.~~date final payment is due, regardless if (1) whether such matters relate to execution and progress of the Work or (2) the extent to which the Work has been completed. The decision by the Architect in response to a Claim shall not be a condition precedent to action at law or litigation in the event (1) the position of

...

~~§ 15.2 Initial Decision~~

...

~~§ 15.2.1~~ ~~Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim.~~ Architect is vacant, (2) the Architect has not received evidence or has failed to render a decision within agreed time limits, (3) the Architect has failed to take action required under Subparagraph 15.2.2 within the ten (10) days after the Claim is made, (4) ten (10) days, which decision shall be final subject to action at law as provided in paragraph 15.3. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

PAGE 49

§ 15.2.2 The ~~Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions:~~ Architect will review Claims and take one or more of the following preliminary actions within ten (10) days of receipt of a Claim: (1) request additional supporting data from the ~~claimant or a response with supporting data from the other party, (2)~~ claimant, (2) submit a schedule to the parties indicating when the Architect expects to take action, (3) reject the Claim in whole or in ~~part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.~~part stating reasons for the rejection, (4) recommend approval of the Claim by the other party, or (5) suggest a compromise. If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by the Architect, the Architect shall notify the parties in writing that the Architect's decision will be made within ten (10) days, which decision shall be final subject to action at law as provided in Paragraph 15.3.

...

§ 15.2.3 ~~In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.~~If a Claim has been resolved, the Architect will prepare or obtain appropriate documentation.

...

§ 15.2.4 If ~~the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.~~a Claim has not been resolved, the party making the Claim shall, within ten (10 days after the Architect's preliminary response, take one or more of the following actions: (1) submit additional supporting data requested by the Architect, (2) modify the initial Claim, or (3) notify the Architect that the initial Claim stands.

...

§ 15.2.5 ~~The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial~~ If a Claim has not been resolved after consideration of the foregoing and of further evidence presented by the parties or requested by the Architect, the Architect will notify the parties in writing that the Architect's decision will be made within seven (7) days, which decision shall be final and binding on the parties but subject ~~to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.~~to action at law. Upon expiration of such time period, the Architect will render to the parties

...

§ 15.2.6 ~~Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.~~the Architect's written decision relative to the

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.~~Claim, including any change in the Contract Sum or Contract Time or both. If there is a surety and there appears to be a possibility of a Contractor's default, the Architect may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

...

§ ~~15.2.7 In~~ 15.2.6 in the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a ~~Contractor's~~ Contractor's default, the Owner may, but is not obligated to, notify the surety and request the ~~surety's~~ surety's assistance in resolving the controversy.

...

~~§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.~~

PAGE Error! Bookmark not defined.

~~§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.~~

...

~~§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.~~

...

~~§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.~~

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects. **All rights reserved.** **WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

...

~~§ 15.4 Arbitration~~

...

~~§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.~~

...

~~§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.~~

...

~~§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

...

~~§ 15.4.3 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.~~

...

~~§ 15.4.4 Consolidation or Joinder~~

...

~~§ 15.4.4.1 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).~~

...

~~§ 15.4.4.2 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not~~

~~constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.~~

...

~~**§ 15.4.4.3** The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as those of the Owner and Contractor under this Agreement.~~

Additions and Deletions Report for AIA Document A201™ – 2017. Copyright © 1911, 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1966, 1970, 1976, 1987, 1997, 2007 and 2017 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Minneapolis Public Schools, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A201™ - 2017, General Conditions of the Contract for Construction, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

_____

(Signed)

_____

(Title)

_____

(Dated)

AIA Document D401™ – 2003. Copyright © 1992 and 2003 by The American Institute of Architects**. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law.** This document was produced by AIA software at 12:38:16 ET on 11/28/2018 under Order No. 8259021829 which expires on 03/18/2019, and is not for resale.
User Notes: (3B9ADA50)

AMENDMENT TO CONTRACT BETWEEN: SPECIAL SCHOOLS DISTRICT NO.1 AND Sunbelt Staffing

This Amendment ("Amendment") to the Contract between Special School District No. 1 and Sunbelt Staffing dated 11/4/2022 ("Contract") is made and entered into by and between Special School District No.1 ("District") and Sunbelt Staffing ("Contractor") (collectively "parties').

WHEREAS, Special School District No.1, a special school district created and existing under Minnesota law ("District") and Sunbelt Staffing ("Contractor") entered into a contract titled CONTRACT FOR SERVICES for a period between 7/1/2022 through 8/3/2023 ("Contract"), and

WHEREAS, the Parties now desire to amend the Contract number: SRM: 4400001417

1. *Original contract amount:* $47,500
2. *Accumulative contract amount$147,000*

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

Section: 1.1 and 3.1

Description: To provide skilled nursing services to fulfill nursing care and duties under scope of nurse licensure in the state of Minnesota through 8/3/2023

Total Obligation. District's total obligation to Contractor under this Contract, including compensation for goods, services, and reimbursable expenses, shall not exceed $147,000. Contractor shall not receive any additional reimbursement for materials or subsistence expenses incurred in the performance of this Contract

Except as herein amended, the terms, conditions and provisions of the contract shall apply to and govern the provisions of this Amendment.

SPECIAL SCHOOL DISTRICT NO. 1

Signature: _____

Name: Aimee Fearing

Title: Senior Academic Officer

Date: _____

Sunbelt Staffing

Signature: 

Name: Elizabeth Reitmeyer

Title: Sunbelt Staffing Division Director

Date: 11/9/2022

FIRST AMENDMENT AMD-13910 TO CONTRACT MAS-13647 BETWEEN: SPECIAL SCHOOL DISTRICT NO. 1 AND UNITED TRANSPORTATION SERVICES LLC

This Amendment ("Amendment") to the Contract between Special School District No. 1 and United Transportation Services LLC, dated January 1, 2023 ("Contract") is made and entered into by and between Special School District No. 1 ("District") and United Transportation Services LLC ("Contractor") (collectively "parties").

WHEREAS, Special School District No. 1, a special a school district created and existing under Minnesota law ("District") and United Transportation Services LLC ("Contractor") entered into a contract titled STUDENT TRANSPORTATION for a period between 1/1/2023 through 6/30/2027 ("Contract"), and

WHEREAS, the Parties now desire to amend the contract;

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

Section3.1 of the Contract shall be amended to ADD $500,000

Except as herein amended, the terms, conditions and provisions of the Contract shall apply to and govern the provisions of this Amendment.

[The remainder of this page intentionally left blank.]

SPECIAL SCHOOL DISTRICT NO. 1

By: _____

Name: _____

Title: _____

Date: _____

United Transportation Services LLC

By: _____

Name: JARED GRAWE

Title: GENERAL MANAGER

Date: 11/22/2022

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS
PUBLIC SCHOOLS

Resolution No. 2022-0072
December 13, 2022

Resolution Acknowledging Receipt of the Fiscal Year 2021-2022 Financial Audit

WHEREAS, in accordance with legal requirements, an independent financial audit of Special School District No. 1 was conducted by BerganKDV; and; and

WHEREAS, the School Board has reviewed the audit findings and recommendations.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby affirms receipt of the FY2022 external audit

ADOPTED this 13th day of December 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

RECORD OF BOARD VOTE (2022-0072)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson				
El-Amin				
Ali				
Cerrillo				
Inz				
Jourdain				
Booker				
Caprini				
Ellison				

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS
PUBLIC SCHOOLS

Resolution No. 2022-0070
December 13, 2022

Resolution Certifying the Final Property Tax Levies 2022 Payable 2023

WHEREAS, Minnesota School District school boards must adopt the final property tax levies no later than five working days after December 20 (effectively December 28) per Minnesota Statutes, section 275.07, subdivision 1; and

WHEREAS, the Board Finance Committee recommends a levy at the maximum allowed for 2022 Payable 2023; and

WHEREAS, 2022 payable 2023 Levy Limitation and Certification managed by the Minnesota Department of Education (MDE) provides the form for certifying the proposed property tax levy to the County Auditor. The attached MDE levy certification form recommends a total final levy of $243,820,148.80; and

WHEREAS, the Senior Officer of Finance and Operations Officer recommends, and the Superintendent of Schools concurs, that the levy of $243,820,148.80 be approved by the Board and communicated to the County and to the Minnesota Department of Education by the required deadlines.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby certifies the recommended 2022 payable 2023 final property tax levy which totals $243,820,148.80 and authorizes the signing and submittal of the Levy Limitation and Certification Report to the County and to the Minnesota Department of Education by the required deadlines.

ADOPTED this 13th day of December 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

RECORD OF BOARD VOTE (2022-0070)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson				
El-Amin				
Ali				
Cerrillo				
Inz				
Jourdain				
Booker				
Caprini				
Ellison				

LEVY LIMITATION AND
CERTIFICATION REPORT OUTLINE

		PAGE
I.	GENERAL INPUT DATA	
	A. PROPERTY VALUATION	1
	B. PUPIL DATA	1
II.	INITIAL COMPUTATIONS BY FUND	
	A. GENERAL	2
	B. COMMUNITY SERVICE	12
	C. GENERAL DEBT	13
	D. OPEB/PENSION DEBT	15
III.	ADJUSTMENTS BY FUND	
	A. GENERAL	16
	B. COMMUNITY SERVICE	23
	C. GENERAL DEBT	23
	D. OPEB/PENSION DEBT	24
IV.	ABATEMENT ADJUSTMENTS	24
V.	OFFSET ADJUSTMENTS	26
VI.	TACONITE ADJUSTMENTS	27
VII.	LEVY AND AID SUMMARY	29
VIII.	TOTAL LEVY LIMITATION	30

SCHOOL YEAR	FORMULA ALLOWANCE	TAX RATE
2012-13	5,224	0.0000
2013-14	5,302	0.0000
2014-15	5,831	0.0035
2015-16	5,948	0.0033
2016-17	6,067	0.0030
2017-18	6,188	0.0014
2018-19	6,312	0.0000
2019-20	6,438	0.0000
2020-21	6,567	0.0000
2021-22	6,728	0.0000
2022-23	6,863	0.0000
2023-24	6,863	0.0000

NOTE: ABOVE NUMBERS ARE NOT ALWAYS COMPARABLE FROM YEAR TO YEAR.

WEIGHTS FOR PUPIL UNITS	FY 2008-FY 2014	FY 2015 & LATER
PRE-KGN HCP:	1.250	1.000
HCP-KGN:	1.000	1.000
REG-KGN PART:	0.612	0.550
REG-KGN ALL:	0.612	1.000
GRADES 1-3:	1.115	1.000
GRADES 4-6:	1.060	1.000
GRADES 7-12:	1.300	1.200

PROPERTY VALUATION DATA

MARKET VALUE

1	2017 MARKET VALUE	46,774,230,040
2	2018 MARKET VALUE	51,664,025,894
3	2019 MARKET VALUE	55,348,980,258
4	2020 MARKET VALUE	58,391,790,385
5	2021 MARKET VALUE	59,717,760,948

REFERENDUM MARKET VALUE (RMV)

6	2017 RMV	47,585,914,925
7	2018 RMV	52,302,563,024
8	2019 RMV	55,860,439,386
9	2020 RMV	58,812,143,363
10	2021 RMV	60,047,658,199

NET TAX CAPACITY (NTC)

11	2017 NTC	533,536,600
12	2018 NTC	616,220,416
13	2019 NTC	657,711,218
14	2020 NTC	697,099,022
15	2021 NTC	704,727,819

SALES RATIO

16	2017 SALES RATIO	92.8%
17	2018 SALES RATIO	93.5%
18	2019 SALES RATIO	95.2%
19	2020 SALES RATIO	95.7%
20	2021 SALES RATIO	92.1%

UNLIMITED ADJUSTED NTC (UANTC)

21	2017 UANTC=(11)/(16)=	574,828,625
22	2018 UANTC=(12)/(17)=	658,872,790
23	2019 UANTC=(13)/(18)=	690,315,267
24	2020 UANTC=(14)/(19)=	728,741,031
25	2021 UANTC=(15)/(20)=	764,848,843

ADJUSTED NTC (ANTC)

26	2017 ANTC	599,672,445
27	2018 ANTC	658,872,790
28	2019 ANTC	690,315,267
29	2020 ANTC	728,741,031
30	2021 ANTC	764,848,843

AG MODIFIED ANTC FOR LTFM

31	2017 AG MODIFIED ANTC	574,820,896
32	2018 AG MODIFIED ANTC	661,418,021
33	2019 AG MODIFIED ANTC	690,306,651
34	2020 AG MODIFIED ANTC	728,733,877
35	2021 AG MODIFIED ANTC	764,840,596

PUPIL DATA

RESIDENT COUNTS ARE BASED ON ALL PUBLIC SCHOOL STUDENTS LIVING IN THE DISTRICT, REGARDLESS OF WHETHER THEY ATTEND THERE. ADJUSTED COUNTS REFLECT ALTERNATIVE ATTENDANCE.

RESIDENT AVE DAILY MEMBERSHIP (ADM)

36	2019-20 RES ADM (ACT)	50,667.05
37	2020-21 RES ADM (ACT)	48,787.70
38	2021-22 RES ADM (PRE)	47,469.40
39	2022-23 RES ADM (EST)	47,525.40
40	2023-24 RES ADM (EST)	47,687.20
41	2024-25 RES ADM (EST)	51,090.00

RESIDENT PUPIL UNITS

42	2019-20 RES PU (ACT)	54,990.83
43	2020-21 RES PU (ACT)	53,092.09
44	2021-22 RES PU (PRE)	51,720.31
45	2022-23 RES PU (EST)	51,715.40
46	2023-24 RES PU (EST)	51,937.20

ADJUSTED ADM

47	2019-20 ADJ ADM (ACT)	33,209.79
48	2020-21 ADJ ADM (ACT)	31,393.31
49	2021-22 ADJ ADM (PRE)	28,949.42
50	2022-23 ADJ ADM (EST)	27,517.40
51	2023-24 ADJ ADM (EST)	27,004.20
52	2024-25 ADJ ADM (EST)	27,904.00

ADJUSTED PUPIL UNITS

53	2019-20 ADJ PU (ACT)	36,024.14
54	2020-21 ADJ PU (ACT)	34,138.56
55	2021-22 ADJ PU (PRE)	31,517.62
56	2022-23 ADJ PU (EST)	29,939.00
57	2023-24 ADJ PU (EST)	29,390.00

VOLUNTARY PRE-K ADJUSTED ADM

58	2019-20 ADJ VPK ADM	198.60
59	2020-21 ADJ VPK ADM	206.40
60	2021-22 ADJ VPK ADM	200.40
61	2022-23 ADJ VPK ADM	185.40
62	2023-24 ADJ VPK ADM	97.20

VOLUNTARY PRE-K ADJUSTED PUPIL UNITS

63	2019-20 ADJ VPK PU	198.60
64	2020-21 ADJ VPK PU	206.40
65	2021-22 ADJ VPK PU	200.40
66	2022-23 ADJ VPK PU	185.40
67	2023-24 ADJ VPK PU	97.20

PUPIL DATA (CONT)

SCHOOL READINESS PLUS ADJUSTED ADM

68 2019-20 ADJ SRP ADM
69 2020-21 ADJ SRP ADM
70 2021-22 ADJ SRP ADM
71 2022-23 ADJ SRP ADM
72 2023-24 ADJ SRP ADM

SCHOOL READINESS PLUS PUPIL UNITS

73 2019-20 ADJ SRP PU
74 2020-21 ADJ SRP PU
75 2021-22 ADJ SRP PU
76 2022-23 ADJ SRP PU
77 2023-24 ADJ SRP PU

(NOTE: VPK & SRP ADM AND PUPIL UNITS INCLUDED IN LINES (36-41), (42-46) (47-52), AND (53-57)

EXTENDED TIME ADM
ADM >1.0 CAPPED AT 0.2

78 2019-20 EXT ADM (ACT) 1,312.00
79 2020-21 EXT ADM (ACT) 247.71
80 2021-22 EXT ADM (PREL 1,096.32
81 2022-23 EXT ADM (EST) 1,370.00
82 2023-24 EXT ADM (EST) 1,363.00
83 2024-25 EXT ADM (EST) 1,363.00

EXTENDED TIME PU

84 2019-20 EXT TIME PU 1,370.24
85 2020-21 EXT TIME PU 258.08
86 2021-22 EXT TIME PU 1,172.16
87 2022-23 EXT TIME PU 1,440.60
88 2023-24 EXT TIME PU 1,445.40

GENERAL EDUCATION REVENUE

BASIC REVENUE

101 FY 2024 FORMULA ALLOW 6,863
57 2023-24 ADJ PU (EST) 29,390.00

102 BASIC REVENUE
= (57) X (101) = 201,703,570.00

DECLINING ENROLLMENT REV

56 2022-23 ADJ PU (EST) 29,939.00
57 2023-24 ADJ PU (EST) 29,390.00

GENERAL ED REVENUE (CONT)

103 DECLINING PUPIL UNITS
= GREATER OF ZERO OR
= (56) - (57) 549.00

104 DECLINING ENROLL ALLOW
= 0.28 X (101) = 1,921.64

105 DECLINING ENROLL REV
= (103) X (104) = 1,054,980.36

PENSION ADJUSTMENT REVENUE

106 PENSION ADJUST ALLOWANCE
(FY 2023 GEN ED REV
REPORT, LINE 50) 70.07

107 INITIAL PENSION ADJ REV
= (57) X (106) = 2,059,357.30

108 FY 2023 RETIRE SALARY 246,995,178.94

109 PENSION ADJUST RATE .0125

110 RETIRE PENSION ADJUST
= (108) X (109) = 3,087,439.73

111 TOTAL PENSION ADJ REV
= (107)+(110) = 5,146,797.03

GIFTED & TALENTED REVENUE

112 GIFTED & TALENTED REV
= (57) X $13.00 = 382,070.00

EXTENDED TIME REVENUE

88 2023-24 EXT PU (EST) 1,445.40
113 EXTENDED TIME REVENUE
= (88) X $5,117 = 7,396,111.80

COMPENSATORY REVENUE

114 FY 2023 COMPENSATORY
REVENUE (FROM FY 2023
GEN ED REV REPORT,
LINES 60 AND 61) 35,248,713.12

115 EST FY 2024 COMPENSATORY
REVENUE = (114)
X (6,863-839)/(6,863-839)
X [(50)/(49)] = 33,505,090.55

COMPENSATORY REVENUE (CONT)

116 COMPENSATORY PILOT

117 TOTAL COMPENSATORY REV
= (115)+(116) = 33,505,090.55

ENGLISH LEARNER (EL)

118 2023-24 ELIGIBLE
EL ADM (EST)
(7 YEAR LIMIT) 3,500.00

119 IF(118)=0, ZERO; ELSE
GTR OF 20, (118) = 3,500.00

120 EL REVENUE
= (119) X $704 = 2,464,000.00

121 2023-24 ADM SRV (EST) 26,605.27

122 EL CONCENTRATION
RATIO = (118)/(121) = .13155288

123 EL CONCENTRATION
FACTOR = LSR OF 1 OR
(122)/.115 = 1.00000000

124 EL PUPIL UNITS
= (118) X (123) = 3,500.00

125 EL CONCENTRATION REV
= (124) X $250 = 875,000.00

126 DISTRICT EL REV +
EL CONCENTRATION REV
(EXCLUDES EL CROSS REDUC AID, 342)
= (120)+(125) = 3,339,000.00

127 BASIC SKILLS REVENUE
= (117)+(126) = 36,844,090.55

SPARSITY REVENUE

128 ATTENDANCE AREA
FOR SPARSITY 58.40
129 DIST TO NEAREST HS

130 ISOLATION INDEX
= [SQ RT (.55 X (128))]
+ (129) = 5.7

131 ISOLATION INDEX RATIO
= [(130)-23]/10, WITH
MIN= 0 AND MAX= 1.5

132 2023-24 ADM SRV, 7-12 9,742.91

SPARSITY REVENUE (CONT)

133 SECONDARY SPARSITY ADM RATIO = GREATER OF ZERO OR [400-(132)] /[400+(132)] =

134 SECONDARY SPARSITY REVENUE = [(101) - $530] X (131)X(132)X(133) OR MEMO:

135 ELEM SPARSITY REVENUE (SEE WEBSITE)

136 PRELIM SPARSITY REVENUE = (134)+(135) =

137 FY 2023 SPARSITY REV (FY 2023 GEN ED REV REPORT, LINE 98)

138 ELIGIBLE FOR CLOSED BUILDING ADJUSTMENT? NO

139 SPARSITY REVENUE IF (138)=YES, (139) = GTR OF (136) OR (137); ELSE (139) = (136)

SMALL SCHOOLS REVENUE

57 2023-24 ADJ PU (EST) 29,390.00

140 SMALL SCHOOLS RATIO = GTR OF ZERO OR [960-(57)]/960 =

141 SMALL SCHOOLS ALLOWANCE = (140) X $544 =

142 SMALL SCHOOLS REVENUE = (57) X (141) =

TRANSPORTATION SPARSITY

143 ATTENDANCE AREA 58.40

144 SQUARE MILES PER RES PU = (143)/(46) = .0011

145 SPARSITY INDEX = GTR OF (144) OR 0.2 = .2000

146 DENSITY INDEX = LSR OF (144) OR 0.2 BUT AT LEAST .005 = .0050

TRANS SPARSITY (CONT)

147 PRELIMINARY TOTAL TRANSPORT ALLOWANCE = [(145) RAISED TO .26 POWER] X [(146) RAISED TO .13 POWER] X .141 X (101) = 319.79

148 TRANSPORTATION SPARSITY ALLOWANCE = GTR OF ZERO OR (147) -[.0466 X (101)]=

149 INITIAL TRANSPORTATION SPARSITY REVENUE (57) X (148) =

150 FY 2023 EST REG AND EXCESS TRANSP COST (FIN 720 + DEP) (FROM FEB22 FORECAST) 7,681,909.73

151 FY 2022 EST REG AND EXCESS TRANSP COST (FIN 720 + DEP) (FROM FEB22 FORECAST)

152 FY 2022 REG AND EXCESS TRANSP COST TIMES 105% = (151) X 1.05 =

153 ADJUSTED TRANSP COST = LSR OF (150) OR (152) =

154 FY 2023 BASIC REVENUE (2022-23 GEN ED REV REPORT LINE 46) 213,580,677.80

155 TRANSPORTATION PORTION OF FY 2023 BASIC REVENUE = (154) X .0466 = 9,952,859.59

156 FY 2023 TRANSP SPARSITY REV(2022-23 GEN ED REV REPORT, LINE 118)

157 FY 2023 CHARTER TRANSP ADJ REV(2022-23 GEN ED REV REPORT, LINE 297) 159,831.04

158 REIMBURSEMENT OF TRANS FOR PREGNANT AND PARENTING TEENS

159 FY 2023 TRANSP REV SUBTOTAL =(155)+(156)+ +(157)-(158) = 10,112,690.63

TRANS SPARSITY (CONT)

160 TRANSP EXCESS COST = GTR OF ZERO OR (153)-(159) =

161 PUPIL TRANSP ADJ IF (160)=0, THEN (161)=0 ELSE (160) X 0.182 =

162 TOTAL TRANSPORTATION SPARSITY REVENUE = (149)+(161) =

INITIAL GENERAL ED REVENUE

102 BASIC 201,703,570.00
105 DECLINING ENROLL 1,054,980.36
111 PENSION ADJUSTMENT 5,146,797.03
112 GIFTED & TALENTED 382,070.00
113 EXTENDED TIME 7,396,111.80
127 BASIC SKILLS 36,844,090.55
139 SPARSITY
142 SMALL SCHOOLS
162 TRANSPORT SPARSITY
163 INITIAL GENERAL ED REV = (102)+(105)+(111) + (112)+(113)+(127) + (139)+(142)+(162) =252,527,619.74

OPERATING CAPITAL

164 AVE BUILDING AGE (EST) (NOT > 50 YEARS) 40.98

165 FACILITIES AGE INDEX = 1 + [.01 X (164)] = 1.4098

166 OPERATING CAPITAL ALLOWANCE = $79 + [$109 X (165)] = 232.67

167 YEAR ROUND PU SERVED 237.74

168 OPERATING CAP REVENUE = (57) X (166) + (167) X $31 = 6,845,541.24

LOCAL OPTIONAL REVENUE

169 MAXIMUM LOCAL OPTIONAL ALLOWANCE 724

170 FY 2024 ACTUAL LOCAL OPTIONAL ALLOWANCE 724.00

LOCAL OPTIONAL REV (CONT)

57	2023-24 ADJ PU (EST)	29,390.00
171	LOCAL OPTIONAL REVENUE = (170) X (57) =	21,278,360.00
172	TIER 1 LOR CAP/APU	300
173	TIER 2 LOR CAP/APU	724
174	TIER 1 LOR = LSR OF = (170) OR (172)	300.00
175	TIER 2 LOR = [LSR OF (170) OR (173)]-(174)	424.00
176	TOTAL, TIER 1 = (57) X (174) =	8,817,000.00
177	TOTAL, TIER 2 = (57) X (175) =	12,461,360.00

REFERENDUM ALLOWANCES

EXIST AUTHORITY AFTER REFERENDUM SIMPLIFICATION

REF AUTH W/O INFLATION

178	FY 2023 AUTHORITY (FY 2023 GEN ED REV REPORT, LINE 135)	
179	PHASEOUT OF LINE (178)	
180	ADDED BY ELECTIONS HELD IN CY 2021 WITH DELAY	
181	FY 2024 W/O INFLATION RESULTS BEFORE ELECTIONS = (178)-(179)+(180) =	

REF AUTH WITH INFLATION

182	FY 2023 AUTHORITY (FY 2023 GEN ED REV REPORT, LINE 141+142)	2,156.81
183	PHASEOUT OF LINE (182)	
184	FY 2024 RESULT BEFORE INFLATION ADJUSTMENT = (182)-(183) =	2,156.81

REFERENDUM ALLOWANCES (CONT)

185	FY 2024 ANNUAL INFLATION FACTOR	1.0238
186	FY 2024 RESULT AFTER INFLATION ADJUSTMENT = (184) X (185) =	2,208.14
187	PERMANENT SUBTRACTION AMOUNT SUBJECT TO CPI	300.00
188	CPI APPLIED TO PERMANENT SUBTRACTION = (187) X [(185)-1] =	7.14
189	ADDED BY ELECTIONS HELD IN CY 2021 WITH DELAY	
190	FY 2024 WITH INFLATION RESULTS BEFORE ELECTIONS = (186)+(188)+(189) =	2,215.28
191	FY 2024 $/APU UNCAPPED TOTAL, ALL AUTHORITIES = (181)+(190) =	2,215.28

NEW ELECTIONS WITHOUT INFLATION

192	FY 2024 AUTHORITY CANCELLED BY ELECTIONS HELD IN CY 2022	
193	FY 2024 $/APU ADDED BY ELECTIONS HELD IN CY 2022	

NEW ELECTIONS WITH INFLATION

194	FY 2024 AUTHORITY CANCELLED BY ELECTIONS HELD IN CY 2022	
195	FY 2024 $/APU ADDED BY ELECTIONS HELD IN CY 2022	
196	FY 2024 $/APU UNCAPPED TOTAL, ALL AUTHORITIES = (191)-(192)+(193) - (194)+(195) =	2,215.28

REFERENDUM CAPS

197	INFLATION FACTOR AS SET IN STATUTE	1.1594
198	STANDARD CAP =[2079.50X(197)]-300=	2,110.97
199	FY 2024 ALT CAP STARTING POINT (FY 2021 GENED REV REPORT, LINE137)+$300	2,163.20
200	FY 2024 ALTERNATE CAP =[(199)*(197)]-300 =	2,208.01
139	SPARSITY REVENUE	
201	CAP ON AUTHORITY PER APU: IF (139)>0 THERE IS NO CAP; ELSE (201) = GTR OF (198) OR (200)	2,208.01
202	FY 2024 $/ADJ PU, CAPPED TOTAL = LSR OF (196) OR (201) =	2,208.01
57	2023-24 ADJ PU (EST)	29,390.00
203	FY 2024 REFER REVENUE = (57) X (202) =	64,893,413.90

TRANSITION REVENUE

204	TRANSITION ALLOWANCE (FY 2015 GENERAL EDUC REVENUE REPORT, LINE 174)	187.12
205	TRANSITION REVENUE = (57) X (204) =	5,499,456.80

EQUITY REVENUE

206	METRO 5TH PERCENTILE	7,173.96
207	METRO 95TH PERCENTILE	9,307.69
208	METRO GAP =(207)-(206) =	2,133.73
209	RURAL 5TH PERCENTILE	7,163.00
210	RURAL 95TH PERCENTILE	9,153.22
211	RURAL GAP =(210)-(209) =	1,990.22
212	DISTRICT'S REGION: METRO=MET; RURAL=RUR	MET

EQUITY REVENUE (CONT)

213 DIST'S REGION'S EQUITY GAP = (208) OR (211)= 2,133.73

214 DIST'S REGION'S 95TH PCT = (207) OR (210)= 9,307.69

215 DISTRICT'S REVENUE/PU FOR EQUITY PURPOSES =[(102)+(203)+(205)+((172)*(57))]/(57) = 9,558.13

216 DISTRICT'S EQUITY GAP = GREATER OF ZERO OR (214)-(215) =

217 EQUITY INDEX = (216)/(213) =

218 = $80 X (217) =

219 INITIAL EQUITY ALLOW IF (216)=0 THEN (219)=0 ELSE (219)=$14+(218)

57 2023-24 ADJ PU (EST) 29,390.00
220 = (57) X (219) =

221 FY 2024 STATE AVERAGE REF REV & TIER 1 LOR 1,173.95

222 =.10 X[(221)] = 117.40

202 FY 2024 DISTRICT REFERENDUM REV/ADJ PU 2,208.01

172 TIER 1 LOR CAP/APU 300

223 = GTR OF ZERO OR [(222)-(202)-(172)] =

57 2023-24 ADJ PU (EST) 29,390.00
224 = LSR OF $100,000 OR [(57) X (223)] =

225 = (220)+(224) =

226 BOTH RUR AND MET = = 0.25 X (225)

57 2023-24 ADJ PU (EST) 29,390.00
227 = $50.00 X (57) = 1,469,500.00

228 EQUITY REVENUE = (225)+(226)+(227) = 1,469,500.00

OPERATING CAPITAL AIDS & LEVIES

168 OPERATING CAP REVENUE 6,845,541.24

30 2021 ANTC 764,848,843
57 2023-24 ADJ PU (EST) 29,390.00
229 FY 2024 ANTC/ADJ PU = (30)/(57) = 26,024.12

230 LEVY RATIO FOR OPER CAP = LESSER OF 1 OR (229)/$22,912 = 1.00000000

231 OPERATING CAP LIMIT = (168) X (230) = 6,845,541.24

232 OPERATING CAP AID = (168)-(231) =

LOCAL OPTIONAL AIDS & LEVIES

176 TOTAL, TIER 1 = (57) X (174) = 8,817,000.00

177 TOTAL, TIER 2 = (57) X (175) = 12,461,360.00

10 2021 RMV 60,047,658,199
46 2023-24 RES PU (EST) 51,937.20
233 FY 2024 RMV/RES PU = (10)/(46) = 1,156,158.94

234 LEVY RATIO FOR LOCAL OPTIONAL TIER 1 = LESSER OF 1 OR (233)/$880,000 = 1.00000000

235 LEVY RATIO FOR LOCAL OPTIONAL TIER 2, EQUITY, TRANSITION = LESSER OF 1 OR (233)/$510,000 = 1.00000000

236 TIER 1 LOR LEVY = (176) X (234) = 8,817,000.00

237 TIER 2 LOR LEVY = (177) X (235) = 12,461,360.00

238 TIER 1 LOR AID = (176) - (236) =

239 TIER 2 LOR AID = (177) - (237) =

EQUITY AIDS & LEVIES

228 EQUITY REVENUE 1,469,500.00

240 EQUITY LIMIT = (228) X (235) = 1,469,500.00

241 EQUITY AID = (228)-(240) =

TRANSITION AIDS & LEVIES

205 TRANSITION REVENUE 5,499,456.80

242 TRANSITION LIMIT = (205) X (235) = 5,499,456.80

243 TRANSITION AID = (205)-(242) =

REFERENDUM AIDS & LEVIES

202 REFER $/APU ALL AUTHORITIES 2,208.01

244 TIER 1 CAP/APU 460

245 TIER 2 CAP/APU = 0.25 X (101)-$300 = 1,415.75

139 SPARSITY REVENUE

246 TIER 2 CAP/APU IF (139) > ZERO THEN (246) = 9,999.99 ELSE (246) = (245) 1,415.75

BREAKDOWN OF $/APU BY TIER, ALL AUTHORITIES

247 TIER 1 = LSR OF (202) OR (244) = 460.00

248 TIER 2 = [LSR OF (202) OR (246)]-(247) = 955.75

249 UNEQUALIZED = (202)-(247) - (248) = 792.26

BREAKDOWN OF REFERENDUM REVENUES

203 REFERENDUM REVENUE ALL AUTHORITIES 64,893,413.90

250 TOTAL, TIER 1 = (57) X (247) = 13,519,400.00

BREAKDOWN OF REF REVENUES (CONT)

251 TOTAL, TIER 2
= (57) X (248) = 28,089,492.50

252 TOTAL, UNEQUALIZED
= (203)-(250)-(251) = 23,284,521.40

REFERENDUM LEVY PORTIONS

233 FY 2024 RMV/RES PU 1,156,158.94

253 TIER 1 = LSR OF 1
OR (233)/$567,000 = 1.00000000
254 TIER 2 = LSR OF 1
OR (233)/$290,000 = 1.00000000

INITIAL REFERENDUM LEVY

255 TIER 1 LEVY
= (250) X (253) = 13,519,400.00
256 TIER 2 LEVY
= (251) X (254) = 28,089,492.50
252 UNEQUALIZED LEVY 23,284,521.40
257 TOTAL = (255)
+ (256)+(252) = 64,893,413.90

INITIAL REFERENDUM AID

258 TIER 1 AID
= (250)-(255) =
259 TIER 2 AID
= (251)-(256) =
260 TOTAL AID
= (258)+(259) =

EQUALIZATION AID LIMIT

101 FY 2024 FORMULA ALLOW 6,863
57 ADJ PU (EST) 29,390.00

261 REFERENDUM EQUALIZATION AID LIMIT
= [[0.25 X (101)]
-$300]X(57) 41,608,892.50

262 REFERENDUM EQUALIZATION AID CAP
= GRT OF (260)-(261)
OR 0 =

REFERENDUM LEVY WITH AID LIMIT

263 TIER 1 LEVY
= (255)+(262) = 13,519,400.00
256 TIER 2 LEVY
= (256) = 28,089,492.50
252 UNEQUALIZED LEVY 23,284,521.40
264 TOTAL = (263)
+ (256)+(252) = 64,893,413.90

REFERENDUM AID WITH AID LIMIT

265 TIER 1 AID
= (258)-(262) =
259 TIER 2 AID
= (259) =
266 TOTAL AID
= (265)+(259) =

TAX BASE REPLACEMENT AID (TBRA)

267 ADJ INITIAL TBRA
(FROM TBRA PHASEOUT
REPORT, LINE 11) 11,887.79

268 CONVERTED ADJ FY 2002
REF AUTHORITY
(FY 2015 GENERAL
EDUC REVENUE REPORT,
LINE 254) 487.11

269 UNCAPPED REF AND LOR ALLOWANCE
= (174)+(196) = 2,515.28

270 PRORATED TBRA
= LSR OF (267) OR
[(267)X(269)/(268)] = 11,887.79

271 REF AND LOR REV
= (176) + (203) = 73,710,413.90

272 CAPPED TBRA = LSR OF
(270) OR (271) = 11,887.79

INITIAL REVENUES ARE REDUCED TO
MAKE TAX BASE REPLACEMENT AID
REVENUE-NEUTRAL. REVENUE COMPONENTS
ARE REDUCED IN THE FOLLOWING ORDER:

273 TIER 2 REF AID
274 TIER 1 REF AID
275 TIER 1 LOR AID
276 TIER 1 LOR LEVY 11,887.79
277 TIER 1 REF LEVY
278 TIER 2 REF LEVY
279 UNEQL REF LEVY

***APPLYING THESE REDUCTIONS: ***

272 TAX BASE REPLACE AID 11,887.79
280 TIER 1 REF AID
= (265)-(274) =
281 TIER 2 REF AID
= (259)-(273) =
282 TIER 1 LOR AID
= (238) - (275)
283 TIER 1 LOR LEVY
= (236) - (276) 8,805,112.21
284 TIER 1 REF LEVY
= (263)-(277) = 13,519,400.00
285 TIER 2 REF LEVY
= (256)-(278) = 28,089,492.50
286 UNEQL REF LEVY
= (252)-(279) = 23,284,521.40

287 REFER AND LOR TIER 1 EQUALIZATION
AID BEFORE AID GUARANTEE
= (272)+(280)
+ (281)+(282) = 11,887.79
288 REFERENDUM AND LOR LEVY
BEFORE AID GUARANTEE
= (283) + (284)
+ (285) + (286) = 73,698,526.11

REFERENDUM AID GUARANTEE

289 FY 2015 REFERENDUM AID
INCREASE FROM GUARANTEE
(FY 2015 GEN ED REV
REPORT, LINE 276)

290 FY 2015 REFERENDUM REV
(FY 2015 GEN ED REV
REPORT, LINE 289) 59,145,669.80
291 FY 2015 LOCATION
EQUITY REVENUE
(FY 2015 GEN ED REV
REPORT LINE 198) 16,168,875.36

292 FY 2015 COMBINED REVENUE
= (290)+(291) = 75,314,545.16

293 FY 2015 REFERENDUM
EQUALIZATION PLUS
HOLD HARMLESS AID
(FY 2015 GENERAL
EDUC REVENUE REPORT,
LINES 276 & 287) 3,746,178.17

294 FY 2015 LOCATION
EQUITY AID
(FY 2015 GENERAL
EDUC REVENUE REPORT,
LINE 197)

REF AID GUARANTEE (CONT)

295 FY 2015 COMBINED AID FOR GUARANTEE = (293)+(294) = 3,746,178.17

296 FY 2024 COMBINED REVENUE = (171)+(203) = 86,171,773.90

297 FY 2024 COMBINED INITIAL AID = (287)+(239) = 11,887.79

298 REVENUE RATIO = LESSER OF 1 OR [(296)/(292)] = 1.00000000

299 2012 RMV 32,347,021,055
10 2021 RMV 60,047,658,199
300 RMV RATIO = LESSER OF 1 OR [(299) /(10)] = .53868914

301 FY 2024 MINIMUM COMBINED AID = (295)X(298)X(300) = 2,018,025.50

302 FY 2024 REFERENDUM HOLD HARMLESS AID INCREASE IF (289)=0 THEN 0, ELSE GREATER OF 0 OR [(301)-(297)] =

INITIAL LEVIES ARE REDUCED TO MAKE THE REFER AID GUARANTEE REVENUE-NEUTRAL. LEVY COMPONENTS ARE REDUCED IN THE FOLLOWING ORDER:

303 TIER 1 LOR LEVY
304 TIER 1 REF LEVY
305 TIER 2 REF LEVY
306 UNEQL REF LEVY

LOCAL OPT AID & LEVY SUMMARY AFTER REF AID GUARANTEE

307 TIER 1 LOR LEVY = (283) - (303) = 8,805,112.21
237 TIER 2 LOR LEVY = (237) 12,461,360.00

308 LOCAL OPTIONAL LEVY LIMIT = (307) + (237) = 21,266,472.21
309 LOCAL OPTIONAL AID =(282)+ (239)+ (303)= =(275)+ (276)= 11,887.79

REF AID & LEVY SUMMARY AFTER REF AID GUARANTEE

310 TIER 1 REF LEVY = (284) - (304) = 13,519,400.00
311 TIER 2 REF LEVY = (285) - (305) = 28,089,492.50
312 UNEQL LEVY = (286) - (306) = 23,284,521.40

313 TOTAL REFERENDUM LEVY =(310)+ (311) +(312)= 64,893,413.90

314 TOTAL REFERENDUM EQUALIZATION AID =(272) + (280) + (281) + (304)+ (305)+ (306) - (275) - (276) =

ALTERNATIVE ATTENDANCE ADJUSTMENT (CHARTER TRANSPORT AND MN STATE ACAD ADJ'S ONLY)

147 TRANSPORT ALLOWANCE 319.79
315 ADJ PU OF CHARTER SCHOOLS TRANSPORTED BY DISTRICT 499.80

316 EXT TME PU OF CHARTER SCHOOLS TRANSPORTED BY DISTRICT
317 CHARTER ALT ATTENDANCE ADJUST = (147) X (315) + $223 X (316) = 159,831.04
318 2023-24 RES PU ATTENDING MN STATE ACADEMIES 1.47
319 MN STATE ACADEMIES ALT ATTENDANCE ADJ = - (101) X (318) = 10,088.61-
320 ALT ATTEND ADJUST TO AID = (317)+(319) = 149,742.43

GENERAL ED REVENUE SUMMARY

102 BASIC 201,703,570.00
105 DECLINING ENROLL 1,054,980.36
111 PENSION ADJUSTMENT 5,146,797.03
112 GIFTED & TALENTED 382,070.00
113 EXTENDED TIME 7,396,111.80
127 BASIC SKILLS 36,844,090.55
139 SPARSITY
142 SMALL SCHOOLS
162 TRANSPORT SPARSITY
168 OPERATING CAPITAL 6,845,541.24
171 LOCAL OPTIONAL 21,278,360.00

GEN ED REV SUMMARY (CONT)

203 REFERENDUM 64,893,413.90
205 TRANSITION 5,499,456.80
228 EQUITY REVENUE 1,469,500.00
320 ALT ATTENDANCE ADJ 149,742.43
321 TOTAL GENERAL REVENUE = (102)+(105)+(111) + (112)+(113)+(127) + (139)+(142)+(162) + (168)+(171)+(203) + (205)+(228)+(320) =352,663,634.11

GENERAL AIDS & LEVIES

231 OPERATING CAP LEVY 6,845,541.24
240 EQUITY LEVY 1,469,500.00
242 TRANSITION LEVY 5,499,456.80
308 LOCAL OPTIONAL 21,266,472.21
313 TOTAL REFERENDUM LEVY 64,893,413.90

322 TOTAL GENERAL ED LEVY = (231)+(240)+(242) +(308)+(313) = 99,974,384.15

323 TOTAL GENERAL ED AID = (321)-(322)= 252,689,249.96

ALTERNATIVE TEACHER COMP REV

324 ENROLLMENT AS OF OCT 1, 2021 AT PARTICIPATING SITES (FY 2023 GENERAL EDUC RPT, LINE 313) 30,096.00

325 EST ENROLLMENT AS OF OCTOBER 1, 2022 AT PARTICIPATING SITES = (324)X[(50)/(49)] = 28,607.26

326 ALTERNATIVE TEACHER COMPENSATION REVENUE = $260.00 X (325) = 7,437,887.60

ALT TEACHER COMP AIDS & LEVIES

326 ALT COMP REVENUE 7,437,887.60

327 ALT COMP BASIC AID = 0.65 X (326) = 4,834,626.94

328 BASIC AID PRORATION .98779065

329 PRORATED BASIC AID = (327)X(328) = 4,775,599.28

ALT TEACH COMP AIDS/LEVY (CONT)

330 PRO BASIC AID TO LEVY 59,027.66
= (327) - (329) =

331 ALT COMP LEVY REVENUE
=(326)-(327) + (330)= 2,662,288.32

229 FY 2024 ANTC/ADJ PU 26,024.12
332 ALT COMP LEVY RATIO
= LESSER OF 1 OR
[(229)/$6,100] = 1.00000000

333 ALT TEACHER COMP LEVY
= (331) X (332) = 2,662,288.32

334 ALT COMP EQUALIZATION AID
= (326)-(329)-(333) =

MISCELLANEOUS AIDS

ESTIMATES OF FY 2023 MISC AIDS SHOWN BELOW ARE BASED ON END OF SESSION 2022 FORECAST. PLEASE NOTE THAT THESE ARE ROUGH ESTIMATES AND MAY CHANGE SIGNIFICANTLY WHEN UPDATED DATA BECOMES AVAILABLE.

335 SPEC ED REGULAR
BEFORE TUITION ADJ 72,341,549.67
336 NET TUITION ADJUST 36,503,335.81-
337 EXCESS COST AID 18,403,031.93
338 HOLD HARM/GROWTH LMT 10,150,409.89
339 CROSS SUB REDUC AID 3,782,221.61

340 TOTAL SPECIAL EDUC AID
= (335) TO (339) = 68,173,877.29

341 FY 2024 NON-PUBLIC 455,746.77
TRANSPORTATION AID

342 FY EL CROSS SUBSIDY 117,549.55
REDUCTION AID

ACHIEVEMENT AND INTEGRATION REVENUE

57 2023-24 ADJ PU (EST) 29,390.00

343 FY 2024 EST
INITIAL BUDGET 13,002,819.00

ACHIEVEMENT AND INTEG (CONT)

344 FY 2024 EST
INCENTIVE BUDGET 304,340.00
345 FY 2024 ADJ
INITIAL BUDGET
= (343) X 1.003 = 13,041,827.46

346 OCT 1, 2021 ENROLL OF
PROTECTED STUDENTS 18,524.00

347 EST OCT 1, 2022 ENROLL
OF PROTECTED STUDENTS
= (346) = 18,524.00

348 OCT 1, 2021
TOTAL ENROLLMENT 30,115.00
349 EST OCT 1, 2022
TOTAL ENROLLMENT
= (348) = 30,115.00

350 PROTECTED ENROLLMENT
RATIO =(347)/(349)= .61510875

351 INITIAL ACHIEVE &
INTEG REVENUE FORMULA
IF (343) > 0 = $350 X
(57) X (350) = 6,327,316.16

352 INTEG HOLD HARMLESS
(FROM FY 2023 INTEG
REV RPT, LINE 11) 6,450,742.17

353 INITIAL ACHIEVE & INTEG
REVENUE = LSR OF (345)
OR [(351)+(352)] = 12,778,058.33

354 INCENTIVE REV
=LSR OF (344) OR
[(57) X $10] = 293,900.00

355 ACHIEVE & INTEG REVENUE
= (353) + (354) = 13,071,958.33

356 ACHIEVE & INTEG LEVY
= (355) X .30 3,921,587.50

357 TRANSFER TO MDE
IF (353)=(345)
THEN (357)=(345)-(343)
ELSE (357)=(353)X.003 38,334.17

358 ACHIEVE & INTEG AID
=(355)-(356)-(357)= 9,112,036.66

***REEMPLOYMENT INSURANCE LEVY**

359 EST FY 2023 EXPEND

360 INITIAL REEMPLOYMENT
LEVY = 100% OF (359)=

SAFE SCHOOLS LEVY

361 SAFE SCH LVY REQUEST? YES
57 2023-24 ADJ PU (EST) 29,390.00

362 SAFE SCH LEVY LIMIT
= $36 X (57) = 1,058,040.00

SAFE SCHOOLS INTERMEDIATE LEVY

363 SAFE SCH INTERMEDIATE
LEVY REQUEST? NO

364 INTERMEDIATE LEVY
ALLOWANCE <= $15

365 SAFE SCH INTERMEDIATE
LIMIT
= (57) X (364) =

JUDGMENT LEVY

366 DISTRICT JUDGMENTS
367 INTERMED JUDGMENTS
368 JUDGMENT LIMIT
=(366)+(367) =

ICE ARENA LEVY

369 FY 2022 NET OPR COSTS
370 ICE ARENA LEVY LIMIT
= 100% OF (369) =

FY 2023 CAREER & TECHNICAL

371 SHARE OF FY 2023 EST
COOPERATIVE BUDGET
372 FY 2023 ESTIMATED
DISTRICT BUDGET 2,704,657.16

373 FY 2023 EST BUDGET
= (371) + (372) = 2,704,657.16

374 PRELIMINARY REVENUE
= .35 X (373) = 946,630.01

CAREER & TECHNICAL (CONT)

375 LAST YEAR REVENUE (FY 2022 CTE AID REPORT, LINE 16) 845,790.62

376 REVENUE GUARANTEE = LESSER OF (373) OR (375) = 845,790.62

377 PRELIMINARY REVENUE = GREATER OF (374) OR (376) = 946,630.01

378 REVENUE ALLOCATION FOR CAREER TECH PER MS 124D.4531, SUBD 5

379 CAREER TECH REVENUE = (377) + (378) = 946,630.01

29 2020 ANTC 728,741,031

56 2022-23 ADJ PU (EST) 29,939.00

380 FY 2023 ANTC/ADJ PU = (29)/(56) = 24,340.86

381 LEVY RATIO FOR CTE = LESSER OF 1 OR (380)/$7,612 = 1.00000000

382 CAREER TECH LEVY LIMIT = (379) X (381) = 946,630.01

383 EST CAREER TECH AID = (379) - (382) =

ANNUAL OTHER POSTEMPLOYMENT BENEFITS (OPEB)

384 AUTHORITY REQUESTED BY DISTRICT BASED UPON FY 2022 EXPENSES PAID 3,816,906.00

385 PRORATION FACTOR TO REFLECT STATEWIDE CAP 1.00000000

386 ANNUAL OPEB LEVY LIMIT = (384) X (385) = 3,816,906.00

CAPITAL RELATED LEVY LIMITATIONS

LONG TERM FACILITIES MAINTENANCE REVENUE (LTFM)

400 LTFM PLAN APPROVAL STATUS APPROVED

INITIAL LTFM REVENUE

57 2023-24 ADJ PU (EST) 29,390.00

401 AVE BLDG AGE (EST) (NO MAX AGE LIMIT) 60.20

402 BLDG AGE RATIO = LSR OF 1 OR (401)/35 = 1.00000000

403 INITIAL LTFM REVENUE = $380 X (57) X (402) = 11,168,200.00

ADDITIONAL LTFM REVENUE FOR QUALIFIED H&S PROJECTS > $100,000

766 NET DEBT SERVICE FOR EXISTING REGULAR ALT FAC/H&S BONDS 1B

404 NET DEBT SERVICE FOR PORTION OF EXISTING ALT FAC BONDS 1A FOR QUALIFIED H&S PROJ

767 NET LTFM REQ DEBT FOR ELIG H&S>$100K

405 NEW PAYGO LTFM LEVY FOR ELIG H&S>$100K

406 TOTAL ADDL LTFM REV FOR PROJECTS >$100K = (766)+(404) + (767)+(405) =

ADDITIONAL LTFM REVENUE FOR QUALIFIED VOLUNTARY PRE-KINDERGARTEN

768 NET LTFM REQ DEBT SERVICE FOR VPK 129,308.00

407 NEW PAYGO LTFM LEVY FOR VPK

408 TOTAL LTFM REVENUE UNDER NEW LAW = (403) + (406) + (768) + (407) = 11,297,508.00

OLD LAW HEALTH AND SAFETY (H&S)

409 OLD LAW HEALTH & SAFETY REVENUE = FY 2024 ESTIMATED H&S COST = 3,549,199.00

410 REG ALT FAC PAYGO REVENUE APPROVED FOR FY 2024

411 ALT FAC/H&S PAYGO REV FOR NEW APPROVALS

412 PAYGO REVENUE FOR ALT FAC AND AF/H&S = (410)+(411) =

765 NET DEBT SERVICE FOR EXISTING AND NEW REGULAR ALT FAC BONDS 1A 10,848,442.50

766 NET DEBT SERVICE FOR EXISTING AND NEW REGULAR ALT FAC/H&S BONDS 1B

767 NET LTFM REQ DEBT FOR ELIG H&S>$100K

413 NET LTFM REQ DEBT FOR ALL OTHER PROJECTS FOR ALT FAC 1A, IF (415)=NO THEN (769), ELSE 0 23,595,969.11

768 NET LTFM REQ DEBT SERVICE FOR VPK 129,308.00

407 NEW PAYGO LTFM LEVY FOR VPK

414 TOTAL OLD LAW ALT FAC AND AF/H&S REVENUE = (412)+(765)+(766) + (767)+ (413)+(768) + (407) = 34,573,719.61

OLD LAW DEFERRED MAINTENANCE

415 ELIGIBLE FOR OLD LAW DEF MAINT REVENUE? NO

416 OLD LAW DEFERRED MAINTENANCE REVENUE = (403) X $64/$380 =

417 TOTAL OLD LAW FORMULA REVENUE FOR HOLD HARMLESS = (409)+(414)+(416) = 38,122,918.61

LTFM REVENUE

418 LTFM REVENUE FOR SCHOOL DISTRICT PROJECTS = GREATER OF (408) OR (417) = 38,122,918.61

419 DISTRICT REQUESTED REDUCTION FROM MAXIMUM (FROM LIS SYSTEM)

420 DISTRICT LTFM REVENUE = (418) - (419) = 38,122,918.61

421 DISTRICT SHARE OF ELIGIBLE COOP/INTERMED LTFM PROJECTS

422 TOTAL LTFM REVENUE = (420) + (421) = 38,122,918.61

LTFM TOTAL AIDS & LEVIES

57 2023-24 ADJ PU (EST) 29,390.00

423 LTFM EQUALIZED REVENUE = LSR OF (418),(420) OR $380 X (57) = 11,168,200.00

35 2021 AG MODIFIED ANTC FOR LTFM REVENUE 764,840,596

54 2020-21 ADJ PU (ACT) 34,138.56

424 FY 2021 ANTC PER APU = (35) / (54) = 22,404.01

425 STATEWIDE ANTC/APU 10,413.63

426 LTFM EQUAL FACTOR = 123% OF (425) = 12,808.77

427 LTFM LEVY RATIO = LSR OF 1 OR (424)/(426) = 1.00000000

428 LTFM AID RATIO = = 1 - (427) =

429 LTFM INITIAL EQUAL AID = (423) X (428) =

430 LTFM INITIAL EQUALIZED LEVY = (423) - (429) = 11,168,200.00

431 2015 TOTAL ALT FAC GRANDFATHER AID 11,000,000.00

432 TOTAL LTFM EQUAL AID = GREATER OF (429) OR (431) = 11,000,000.00

LTFM TOTAL AIDS & LEVIES (CONT)

433 TOTAL LTFM EQUAL LEVY = GTR OF ZERO OR (423) - (432) = 168,200.00

434 TOTAL LTFM UNEQUAL LEVY = GTR OF ZERO OR (422)-(432)-(433) = 26,954,718.61

435 TOTAL LTFM LEVY = (433) + (434) = 27,122,918.61

DEBT SERVICE PORTION OF LTFM REV

765 NET ALT FAC REG DEBT 10,848,442.50

766 NET ALT FAC/H&S DEBT

767 NET LTFM REQ DEBT FOR ELIG H&S>$100K

768 NET LTFM REQ DEBT SERVICE FOR VPK 129,308.00

769 NET LTFM REQ DEBT FOR ALL OTHER PROJECTS 23,595,969.11

770 TOTAL DEBT SERVICE LTFM REVENUE = (765)+(766)+(767) +(768)+(769) = 34,573,719.61

436 LTFM DEBT SERV EQUAL REVENUE = LESSER OF (423) OR (770) = 11,168,200.00

428 LTFM AID RATIO

437 LTFM DEBT INITIAL EQUAL AID = (436)X(428) =

438 LTFM DEBT EQUAL AID = GREATER OF (431) OR (437) BUT NOT MORE THAN (770) = 11,000,000.00

439 LTFM DEBT EQUAL LEVY = GTR OF ZERO OR (436) - (438) = 168,200.00

440 LTFM DEBT UNEQUAL LEVY = GTR OF ZERO OR (770)-(438)-(439) = 23,405,519.61

GEN FUND PORTION OF LTFM REV

422 TOTAL LTFM REVENUE 38,122,918.61

441 TOTAL GENERAL FUND LTFM REVENUE = (422) - (770) = 3,549,199.00

442 LTFM GEN FUND EQUAL REV = (423) - (436) =

443 LTFM GEN FUND EQUAL AID = (432) - (438) =

444 GEN FUND LTFM EQUAL LIMIT = GTR OF ZERO OR (442) - (443) =

445 GEN FUND LTFM UNEQUAL LIMIT = GTR OF ZERO OR (441)-(443)-(444) = 3,549,199.00

446 TOTAL GEN FUND LTFM LEVY = (444) + (445) = 3,549,199.00

DISABLED ACCESS LIMIT

447 FY 1992-FY 2024 APPROV DIS ACC COSTS 300,000.00

448 MAXIMUM = GTR OF (JUNE 1991 COMPONENT DISTS X 150,000) OR 300,000 = 300,000.00

449 LSR OF (447) OR (448) 300,000.00

450 FIRST YEAR DISABLED ACCESS LEVY CERTIFIED 1992

451 LAST YEAR TO CERTIFY = (450) + 7 YEARS = 1999

452 TOTAL CUM CERT LEVY (PAY 93 TO PAY 21) 300,000.00

453 CERT LEVY PAY 2022

454 TOTAL CERTIFIED LEVY = (452)+(453) = 300,000.00

455 DISABLED ACCESS LIMIT = GREATER OF ZERO OR (449)-(454)=

LEASE LEVY LIMITATION

DIST'S SHARE OF JOINT LEASE FOR INTERMED DISTS 287, 288, 916 AND 917

APPROVED INTERMED OPERATING

ADMINISTRATIVE SPACE

456 FY 2023 JOINT
457 FY 2024 JOINT

INSTRUCTIONAL/STORAGE

458 FY 2023 JOINT
459 FY 2024 JOINT

460 TOT INTERMED OPERATING
= (456) TO (459) =

APPROV INTERMED CAPITALIZED

ADMINISTRATIVE SPACE

461 FY 2023 JOINT
462 FY 2024 JOINT

INSTRUCTIONAL/STORAGE

463 FY 2023 JOINT
464 FY 2024 JOINT

EXCESS FUNDS CAP LEASE

465 FY 2023 JOINT
466 FY 2024 JOINT

467 TOT INTERMED CAPITALIZED
= SUM[(461) TO (464)]
- (465) - (466) =

468 TOT INTERMED LEASE COSTS
= (460) + (467) =

57 2023-24 ADJ PU (EST) 29,390.00
469 INTERMED PUPIL UNIT MAX
LIMIT = $65 X (57) =

470 INTERMED LEASE LIMIT
=LSR (468) OR (469) =

471 INTERMED CARRYOVER (INCL
IN REGULAR LEASE LIMIT)
= (468) - (470) =

APPROVED REGULAR OPERATING LEASES

ADMINISTRATIVE SPACE

472 FY 2023 NONJOINT
473 FY 2024 NONJOINT
474 FY 2023 JOINT
475 FY 2024 JOINT

APPROVED REG OP LEASES (CONT)

INSTRUCTIONAL/STORAGE

476 FY 2023 NONJOINT 223,556.67
477 FY 2024 NONJOINT 438,299.70
478 FY 2023 JOINT
479 FY 2024 JOINT

480 REG OPERATING LEASES
= (472) TO (479) = 661,856.37

APPROVED REGULAR CAPITALIZED LEASES

ADMINISTRATIVE SPACE

481 FY 2023 NONJOINT
482 FY 2024 NONJOINT
483 FY 2023 JOINT
484 FY 2024 JOINT

INSTRUCTIONAL/STORAGE

485 FY 2023 NONJOINT
486 FY 2024 NONJOINT
487 FY 2023 JOINT
488 FY 2024 JOINT

EXCESS FUNDS CAP LEASE

489 FY 2023 NONJOINT
490 FY 2024 NONJOINT
491 FY 2023 JOINT
492 FY 2024 JOINT

493 REG CAPITALIZED LEASES
= (481) TO (488) -
(489) TO (492) =

494 TOTAL APPROVED REGULAR
LEASE COST & CARRYOVER
=(471)+(480)+(493)= 661,856.37

57 2023-24 ADJ PU (EST) 29,390.00
495 REG PUPIL UNIT MAXIMUM
LIMIT = $212 X (57) = 6,230,680.00

496 COMM APPROVED LIMIT

497 REGULAR MAX LIMIT
=GTR (495) OR (496)= 6,230,680.00

498 REGULAR LEASE LIMIT
=LSR (494) OR (497)= 661,856.37

499 TOTAL LEASE LEVY LIMIT
= (470) + (498) = 661,856.37

INITIAL CAPITAL RELATED LEVIES

231 OPERATING CAPITAL 6,845,541.24
446 LT FAC MAINTENANCE 3,549,199.00
455 DISABLED ACCESS
499 LEASE LEVY 661,856.37
500 COOP BLDG REPAIR
501 OTHER CAPITAL (MEMO)
502 CAP PROJECTS REFER 15,849,328.64

503 CAPITAL RELATED LIMITS
= (231)+(446)+(455)
+ (499)+(500)+(501)
+ (502) = 26,905,925.25

OTHER INITIAL GENERAL LEVIES

504 CONSOLIDATION/
TRANSITION
505 REORGANIZATION
OPERATING DEBT
506 HEALTH BENEFITS
507 ADDL RETIREMENT
(MPLS AND STP) 7,088,400.00
508 SEVERANCE
509 ADMIN DISTRICT
510 SWIMMING POOL
511 TREE GROWTH
512 CONSOLIDATION/
RETIREMENT
513 ECON DEVELOP ABATE
514 OTHER GENERAL (MEMO)

515 SUBTOTAL, OTHER INITIAL
GENERAL LEVIES
= (504) T0 (514) = 7,088,400.00

INITIAL GENERAL FUND LEVY

516 GENERAL RMV VOTER
APPROVED JOBZ EXEMPT
=(313) = 64,893,413.90

517 GENERAL RMV OTHER
JOBZ EXEMPT
= (308)+(240)
+ (242) = 28,235,429.01

518 GENERAL NTC
VOTER APPROVED
JOBZ EXEMPT
= (502) 15,849,328.64

INITIAL GEN FUND LEVY (CONT)

519 GENERAL NTC OTHER JOBZ
=(333)+(356)+(360)
+(362)+(365)+(368)
+(370)+(382)+(386)
+(503)-(502)+(515) = 30,550,448.44

520 TOTAL INITIAL GENERAL
LEVY LIMITATION
=(516)+(517)+(518)
+ (519) = 139,528,619.99

COMMUNITY SERVICE

BASIC COMMUNITY EDUCATION

601 POPULATION (YR 2020) 429,956
602 GTR OF (601) OR 1,335 429,956

603 YOUTH SERVICE PROG? YES

604 AFTER SCHOOL
ENRICHMENT? YES

605 FY 2024 GENERAL REVENUE
= $5.42 X (602) = 2,330,361.52

606 FY 2024 YOUTH SERVICE
REV = $1.00 X (602) = 429,956.00

607 FY 2024 AFTER SCHOOL
REVENUE = $1.85 X (602)
NOT TO EXCEED 10,000
AND $0.43 X POPULATION
IN EXCESS OF 10,000 199,081.08

608 FY 2024 COMMUNITY
EDUCATION REVENUE
= (605)+(606)+(607) = 2,959,398.60

30 2021 ANTC 764,848,843
609 STANDARD COMM ED LEVY
= .00940 X (30) = 7,189,579.12

610 COMM ED LEVY LIMIT
LSR (608) OR (609) = 2,959,398.60

611 FY 2024 EST GROSS COMM ED
AID = (608)-(610) =

EARLY CHILD FAMILY EDUCATION

FY 2022 ECFE ANNUAL REPORT
MUST BE SUBMITTED TO CERTIFY
EARLY CHILDHOOD FAMILY ED &
HOME VISIT LEVIES FOR FY 2024

612 DIST PLANS TO LEVY FOR
FY 2024 ECFE REVENUE? YES

613 ECFE ANNUAL REPORT
SUBMITTED? YES

614 POPULATION UNDER
FIVE YEARS OF AGE 26,820

615 GTR OF 150 OR (614) = 26,820

616 ECFE ALLOWANCE
0.023 X (101) = 157.85

617 FY 2024 EARLY CHILD
FAMILY REVENUE
IF (612) = YES
= (615)X(616),
IF ANNUAL REPT = YES 4,233,537.00

30 2021 ANTC 764,848,843
618 ECFE TAX RATE .00246993
619 = (618) X (30) = 1,889,123.10

620 EARLY CHILD LEVY LIMIT
= LESSER OF (617)
OR (619) = 1,889,123.10

621 EST FY 2024 EARLY CHILD
AID = (617)-(620) = 2,344,413.90

HOME VISITING LIMIT

622 DIST PLANS TO LEVY FOR
FY 2024 HOME VISIT? YES

623 HOME VISITING REVENUE
IF (622) = YES
AND (619) > $0,
= $3.00 X (614),
ELSE = $0 80,460.00

229 FY 2024 ANTC/ADJ PU 26,024.12
624 HOME VISIT LEVY RATIO
= LESSER OF 1 OR
(229)/$17,250 = 1.00000000

625 FY 2024 HOME VISIT LIMIT
=(623) * (624) 80,460.00

626 FY 2024 EST HOME VISIT
AID =(623)-(625)

DISABLED ADULTS

627 DISABLED ADULTS LIMIT
LSR $30,000 OR 50% OF
APPROVED EXPENDITURES 30,000.00

SCHOOL-AGE CARE

628 FY 2024 SCH-AGE CARE REV
(FY 2024 EST COST) 490,000.00

30 2021 ANTC 764,848,843
46 2023-24 RES PU (EST) 51,937.20

629 ANTC/RES PU
= (30)/(46) = 14,726.42

630 LEVY RATIO = LSR OF
1 OR (629)/$2,318 = 1.00000000

631 FY 2024 SCH-AGE CARE LIM
= (628) X (630) = 490,000.00

632 FY 2024 EST GROSS
SCHOOL-AGE CARE
AID = (628)-(631) =

COMMUNITY SERVICE SUMMARY

633 OTHER COMM ED (MEMO)

634 TOTAL INITIAL COMMUNITY
SERVICE LEVY LIMIT
= (610)+(620)+(625)
+ (627)+(631)+(633) = 5,448,981.70

GENERAL DEBT SERVICE (FUND 7)

REQUIRED DEBT SERVICE LEVY
(EQUAL TO 105% OF THE FY 2024
PRINCIPAL AND INTEREST PAYMENTS)

REQUIRED DEBT ELIGIBLE FOR LONG TERM
FACILITIES MAINTENANCE (LTFM) REV

701 ALT FAC REGULAR
REQ DEBT SERV LEVY 10,848,442.50

702 ALT FAC/H&S
REQ DEBT SERV LEVY

703 NEW LTFM REQ DEBT FOR
ELIG H&S>$100K

REQ DEBT ELIG FOR LTFM (CONT)

704 NEW LTFM REQ DEBT SERVICE FOR VPK 129,308.00

705 NEW LTFM REQ DEBT FOR ALL OTHER PROJECTS 23,595,969.11

706 TOTAL REQ DEBT SERV LEVY FOR LTFM REVENUE = (701)+(702)+(703) + (704)+(705) = 34,573,719.61

REQUIRED DEBT ELIGIBLE FOR NATURAL DISASTER EQUAL AID (MS 123B.535)

707 NATURAL DISASTER REQ DEBT SERV LEVY

REQUIRED DEBT ELIGIBLE FOR DEBT EQUALIZATION AID (MS 123B.53)

708 TACONITE BONDS REQ DEBT SERV LEVY

709 TAC FUNDING FOR BONDS (NOT IRRRB)

710 TAC ADJ TO REQ = (709) OR [(709) X 1.05] =

711 NET REQ DEBT SERV LEVY TACONITE=(708)-(710)=

712 VOTER APPR ELIG BONDS SOLD BY JULY 1, 2022

713 NON-VOTER ELIG BONDS SOLD BY JULY 1, 2022 44,444,645.89

714 VOTER APPR IRRRB BONDS SOLD BY JULY 1, 2022

715 TOTAL REQUIRED DEBT LEVY ELIG FOR DEBT EQUAL AID =(711)+(712) +(713)+(714)= 44,444,645.89

REQUIRED DEBT FOR BONDS ELIG FOR FUTURE DEBT EQUALIZATION AID

716 VOTER APPR BONDS SOLD AFTER JULY 1, 2022 ELIG FOR FUTURE AID

REQ DEBT FOR BONDS ELIG (CONT)

717 NON-VOTER BONDS SOLD AFTER JULY 1, 2022 ELIG FOR FUTURE AID

718 SUBTOTAL, FUTURE DEBT AID ELIGIBLE = (716) + (717) =

OTHER REQUIRED DEBT FOR BONDS INELIGIBLE FOR DEBT EQUAL AID

719 VOTER APPR BONDS INELG FOR DEBT EQUAL AID

NON-VOTER APPR INELIG BONDS

720 FACIL BOND-MS 123B.62
721 EQUIP BOND-MS 123B.61
722 REORG OPER DEBT
723 ECON DEV ABATEMENT
724 JUDGMENT
725 OTHER NON-VOTER
726 INELG LEASE PURCHASE 23,869,593.06

727 SUBTOTAL, REQ DEBT FOR NON-VOTER INELIG BONDS =(720) THRU (726)= 23,869,593.06

728 REQ DEBT SERVICE LEVY FOR BONDS INELGIBLE FOR DEBT EQUAL AID = (718)+(719)+(727) = 23,869,593.06

729 GDS REQ DEBT SERV LEVY =(706)+(707)+(715) +(718)+(719)+(728) = 102,887,958.56

730 GDS REQ DEBT SERV LEVY VOTER APPR = (711)+(712) +(714)+(716)+(719) =

30 2021 ANTC 764,848,843

731 MAXIMUM EFFORT DEBT SERVICE TAX RATE %

732 MAX EFFORT DEBT SERV LEVY = (30) X (731) =

734 DEBT EQUAL REVENUE BASE GTR OF ZERO OR [(715) - (732)] = 44,444,645.89

NON-VOTE APPR INELIG BONDS (CONT)

735 BOARD AUTHORIZED TRANSFER TO FUND 7 REDUCING REQUIRED DEBT SERVICE LEVY

736 FEDERAL FUNDS REDUCING REQUIRED DEBT SERVICE LEVY 1,234,655.00-

FUND 7 DEBT BALANCE

737 JUNE 2021 FUND 7-425 BAL FOR BOND REFUND

738 JUNE 2021 FUND 7-451 BAL FOR QZAB & QSCB 29,978,729.69

739 JUNE 2021 FUND 7-460 BALANCE NONSPENDABLE

740 JUNE 2021 FUND 7-463 BALANCE UNASSIGN NEG

741 JUNE 2021 FUND 7-464 BALANCE RESTRICTED (FOR DEBT EXCESS) 12,118,296.69

742 PAY 21 DEBT EXCESS LEVY REDUCTION 5,284,551.81

743 PAY 22 DEBT EXCESS LEVY REDUCTION 2,540,103.06

744 5% OF PAY 23 REQ DEBT SERV LEVY=(729) X 5%= 5,144,397.93

745 FUND 7 AVAIL BALANCE GTR OF ZERO OR [(741) -(742)-(743)-(744)] =

746 RETAIN FOR CAPITAL LOAN REPAYMENT

747 APPROVED DEBT EXCESS TO BE RETAINED

748 DISTRICT REQUESTED ADDITIONAL EXCESS

749 CERTIFIED DEBT EXCESS = GTR OF 0 OR [(745) -(746)-(747)+(748)=

750 EXCESS USED TO RETIRE FAC & EQUIP BONDS

FUND 7 DEBT BALANCE (CONT)

751 ADJUSTED DEBT EXCESS
= (749)-(750) =

BREAKDOWN OF NET DEBT EXCESS

752 BASE FOR NET DEBT
EXCESS DISTRIBUTION
= IF (732)>0, THEN 0
ELSE (729)-(718)= 102,887,958.56

753 DEBT EXCESS RATIO =
LSR 1 OR (751)/(752)=

754 NET DEBT EXCESS FOR
ELG REQ DEBT SERVICE
= (715) X (753) =

755 EXCESS FOR ELIGIBLE
ALT FAC REGULAR BONDS
= (701) X (753) =

756 EXCESS FOR ELIGIBLE
ALT FAC/H&S BONDS
= (702) X (753) =

757 EXCESS FOR ELIGIBLE
LTFM IAQFAA BONDS
= (703) X (753) =

758 EXCESS FOR ELIGIBLE
LTFM VPK BONDS
= (704) X (753) =

759 EXCESS FOR ELIGIBLE
LTFM OTHER BONDS
= (705) X (753) =

760 GENERAL FUND LEVY ADJ
FOR FACILITY & EQUIP
BONDS =
-(720)-(721)-(750) =

761 UNALLOCATED DEBT
EXCESS = GTR OF ZERO
OR [(751)-(752)] =

NET DEBT EXCESS SUMMARY

762 DEBT EXCESS FOR VOTER
APPROVED BONDED DEBT =
[(730)-(716)]X(753) =

763 DEBT EXCESS FOR NON-
VOTER APPROVED DEBT
= (751)-(761)-(762) =

NET DEBT EXCESS SUMMARY (CONT)

764 NET DEBT EXCESS FOR
DEBT SERV LEVY REDUCT
= (762)+(763) =

LONG TERM FACILITIES MAINTENANCE AID

765 NET ALT FAC REG DEBT
= (701)-(755) = 10,848,442.50

766 NET ALT FAC/H&S DEBT
= (702)-(756) =

767 NET LTFM REQ DEBT FOR
ELIG H&S>$100K
= (703)-(757) =

768 NET LTFM REQ DEBT FOR
ELIG VPK
= (704)-(758) = 129,308.00

769 NET LTFM REQ DEBT FOR
ALL OTHER PROJECTS
= (705)-(759) = 23,595,969.11

770 NET DEBT LEVY FOR
LT FAC MAINT
= (765)+(766)+(767)
+ (768)+(769) = 34,573,719.61

436 LTFM DEBT EQUAL REV 11,168,200.00
438 LTFM DEBT EQUAL AID 11,000,000.00

439 LTFM DEBT EQUAL LEVY 168,200.00
440 LTFM DEBT UNEQUAL LVY 23,405,519.61

771 LTFM DEBT LEVY LIMIT
= (439) + (440)
+ (755) + (756)
+ (757)+(758)+(759) = 23,573,719.61

NATURAL DISASTER DEBT EQUALIZATION

30 2021 ANTC 764,848,843

772 TEN PERCENT ANTC
= 0.10 * (30) = 76,484,884

707 REQ DEBT LEVY FOR
NATURAL DISASTER DEBT

773 FY 2024 DISASTER DEBT EQ
REV = GTR OF ZERO OR
[(707) - (772)] =

54 2020-21 ADJ PU (ACT) 34,138.56
774 FY 2021 ANTC PER APU
= (30) / (54) = 22,404.25

NAT DISASTER DEBT EQ (CONT)

775 STATEWIDE AVE ANTC
INCL JOBZ PER APU 11,033.47

776 DISASTER EQUAL FACTOR
= 300% OF (775) = 33,100.41

777 NATURAL DISASTER
LEVY RATIO = LSR OF
1 OR (774)/(776) = .67685717

778 DISASTER AID RATIO =
= 1 - (777) = .32314283

779 DISASTER DEBT EQUAL AID
= (773) X (778) =

780 DISASTER LEVY LIMIT
= (707) - (779) =

DEBT EQUALIZATION AID

734 DEBT EQUAL BASE 44,444,645.89
754 DEBT EXCESS FOR ELIG
REQUIRED DEBT

781 FY 2024 NET REV ADJ
TO DEBT EQUALIZATION
REVENUE (MEMO)

782 FY 2024 GROSS DEBT
EQUALIZATION REVENUE
=(734)-(754)+(781) = 44,444,645.89

30 2021 ANTC 764,848,843

783 = .1050 X (30) = 80,309,128.52

784 MAX UNEQ LOCAL EFFORT
= .1574 X (30) = 120,387,207.89

785 FY 2024 NET DEBT EQ
REV = GTR OF 0 OR
[(782) - (784)] =

786 PRELIM TIER 1 EQU REV
=LSR (785) OR (783)=

787 PRELIM TIER 2 EQU REV
= (785)-(786) =

732 MAXIMUM EFFORT DEBT
SERVICE LEVY

788 MAX EFFORT TIER 1 REV

DEBT EQUALIZATION AID (CONT)

789 MIN TIER 2 REV FOR MAX EFF = GTR OF ZERO OR (782) - (732) =

790 TIER 2 EQUAL REV = GTR OF (787) OR (789) =

791 TIER 1 EQUAL REV = GTR OF (786) OR (788) =

54 2020-21 ADJ PU (ACT) 34,138.56

792 2021 ANTC INCL JOBZ / ADJ PU = (30)/(54) = 22,404.25

793 TIER 1 DEBT EQUAL LEVY RATIO = LSR OF 1 OR (792)/[GTR OF $4,430 OR 55.33% OF (775)] = 1.00000000

794 TIER 2 DEBT EQUAL LEVY RATIO = LSR OF 1 OR (792)/[GTR OF $8,000 OR 100% OF (775)] = 1.00000000

795 TIER 1 DEBT EQU AID RATIO = 1-(793) =

796 TIER 2 DEBT EQU AID RATIO = 1-(794) =

797 TIER 1 DEBT AID = (791) X (795) =

798 TIER 2 DEBT AID = (790) X (796) =

799 TOTAL DEBT EQ AID = (797)+(798) =

800 NON VOTER DEBT AID = (799)X(713)/(715) =

801 VOTER APPR DEBT AID = (799)-(800) =

MINIMUM EST MAX EFFORT PAYMENT

732 MAX EFFORT DEBT LEVY

802 MAX EFFORT REQ LEVY = GTR OF ZERO OR [(729)+(926)+(927)-(706) -(719)-(720)-(721) =

803 MINIMUM EST MAX EFFORT PAYMENT = GTR OF 0 OR (732)-(802) =

ADJUSTMENT TO GDS LIMIT FOR IRRRB ALLOCATION

804 FY 2024 IRRRB FUNDING FOR VOTER-APPR BONDS

805 PAY 23 IRRRB ADJUSTMENT FOR VOTER-APPROV BONDS = - ((804) X 1.05) =

806 FY 2024 IRRRB FUNDING FOR NON-VOTER BONDS

807 PAY 23 IRRRB ADJUSTMENT FOR NON-VOTER BONDS = - ((806) X 1.05) =

808 DEBT EQUAL AID ELIG, VOTER APPROVED = GTR OF ZERO OR [(711)+(712)+(714) +(803)-(801)-(805)]=

809 DEBT EQUAL AID ELIG, NON VOTER APPROVED = GTR OF [(713)-(800)-(807)] OR ZERO = 44,444,645.89

810 DEBT EQUAL AID INELIG, VOTER APPROVED = (716) + (719) =

811 DEBT EQUAL AID INELIG, NON VOTER APPROVED = (717) + (727) = 23,869,593.06

771 LTFM DEBT LEVY LIMIT NON VOTER APPROVED 23,573,719.61

780 DISASTER LEVY LIMIT VOTER APPROVED

812 INITIAL GDS LEVY LIM VOTER APPROVED =(808)+(810)+(780) =

813 INITIAL GDS LEVY LIM NON VOTER APPROVED = (809)+(811)+(771) = 91,887,958.56

814 TOTAL INITIAL GDS LEVY LIMIT = (812)+(813) = 91,887,958.56

OTR POSTEMPLOY BENEFITS (OPEB) & PENSION DEBT SERVICE (FUND 47)

901 LEVY BONDS IRREV TRUST VOTER APPROVED

902 LEVY BONDS REVOC TRUST VOTER APPROVED

903 REQ DEBT SERV LEVY OPEB BONDS VOTER APPROVED = (901) + (902) =

904 LEVY BONDS IRREV TRUST NON-VOTER APPROVED

905 LEVY BONDS REVOC TRUST NON-VOTER APPROVED

906 REQUIRED DEBT SERVICE LEVY FOR OPEB BONDS NON-VOTER APPROVED = (904) + (905)=

FUND 47 DEBT BALANCE

907 REQ DEBT SERV LEVY FOR PENSION BONDS (MPLS)

908 REQ DEBT SERVICE LEVY FOR OPEB/PENSION BONDS NON-VOTER APPROVED = (906) + (907) =

909 JUNE 2021 FUND 47-425 BAL FOR BOND REFUND

910 JUNE 2021 FUND 47-460 BALANCE NONSPENDABLE

911 JUNE 2021 FUND 47-463 BALANCE UNASSIGN NEG

912 JUNE 2021 FUND 47-464 BALANCE RESTRICTED 2,668,995.05

913 JUNE 2021 FUND 47-464 BALANCE VOTER APPROV

914 JUNE 2021 FUND 47-464 BAL NON-VOTER APPROV = (912) - (913) = 2,668,995.05

915 PAY 21 OPEB DEBT EXC REDUCTION NON-VOTER 48,911.47

916 PAY 22 OPEB DEBT EXC REDUCTION NON-VOTER 228,643.03

917 5% OF REQUIRED OPEB DEBT SERV LEVY VOTER = (903) X 5% =

918 5% OF REQUIRED OPEB DEBT SERV LEVY NONVOT = (908) X 5% =

FUND 47 DEBT BALANCE (CONT)

919 RETAIN FOR CAP LOAN REPAYMENT NON-VOTER

920 APPROV DEBT EXCESS TO BE RETAINED NON-VOTER

921 FUND 47 AVAILABLE BALANCE VOTER APPROVED = GREATER OF ZERO OR [(913)-(917)] =

922 FUND 47 AVAILABLE BALANCE NON-VOTER = GTR ZERO OR [(914)-SUM (915) TO (920)] = 2,391,440.55

923 CLOSING FUND 47 TO FUND 7 TRANSFER IF (922) GTR ZERO AND (908) = ZERO, ELSE 0

924 ADDITIONAL DEBT EXCESS REQUESTED OPEB/PENSION BONDS VOTER APPROVED

925 ADDITIONAL DEBT EXCESS REQUESTED OPEB/PENSION NON-VOTER APPROVED

926 NET DEBT SERVICE LEVY FOR VOTER APPROVED OPEB/PENSION BONDS =(903)-(921)-(924) =

927 NET DEBT SERVICE LEVY FOR OPEB/PENSION BONDS NON-VOTER APPROVED =(908)-(922)-(925) =

LEVY LIMITATION ADJUSTMENTS

IN GENERAL, IF WE HAVE:
A FINAL LEVY AUTHORITY
B PREVIOUSLY CALCULATED AUTHORITY
C CERTIFIED LEVY BASED ON (B)
D LEVY ADJUSTMENT, THEN:
IF A>B, D=A-B
IF A<C, D=A-C
OTHERWISE D=ZERO

GENERAL FUND ADJUSTMENTS

FY 2023 OPERATING CAPITAL LEVY ADJUSTMENT

1001 FY 2023 OPER CAP LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 179) 7,248,199.94

1002 21 PAY 22 LIMIT 7,205,931.23
1003 21 PAY 22 LEVY 7,205,931.23

1004 FY 2023 OPER CAPITAL LEVY ADJUSTMENT = ((1100)-(1101)) = 42,268.71

FY 2023 LOR TIER 1 LEVY ADJUSTMENT

1005 FY 2023 LOR TIER 1 (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 198) 9,336,180.00

1006 ALLOCATION OF TBRA (FROM PAY 22 LEVY REPORT, LINE 275) 11,887.79

1007 ALLOC OF REF HOLD HARM (FROM PAY 22 LEVY REPORT, LINE 302)

1008 21 PAY 22 LIMIT 9,268,672.21
1009 21 PAY 22 LEVY 9,268,672.21

1010 PAY 22 LIMIT BEFORE TBRA AND HOLD HARM ADJ =(1006)+(1007)+(1008) 9,280,560.00

1011 PAY 22 LEVY BEFORE TRBA AND HOLD HARM ADJ =(1006)+(1007)+(1009) 9,280,560.00

1012 FY 2023 LOR TIER 1 LEVY ADJUSTMENT = ((1005)-(1010)) = 55,620.00

FY 2023 LOR TIER 2 LEVY ADJUSTMENT

1013 FY 2023 LOR TIER 2 (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 200) 13,195,134.40

FY 2022 LOR TIER 2 (CONT)

1014 21 PAY 22 LIMIT 13,116,524.80
1015 21 PAY 22 LEVY 13,116,524.80

1016 FY 2023 LOR TIER 2 LEVY ADJUSTMENT = ((1113) - (1115)) 78,609.60

FY 2023 EQUITY LEVY ADJUSTMENT

1017 FY 2023 EQUITY LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 202) 1,556,030.00

1018 21 PAY 22 LIMIT 1,546,760.00
1019 21 PAY 22 LEVY 1,546,760.00

1020 FY 2023 EQUITY LEVY ADJUSTMENT = ((1017)-(1018)) = 9,270.00

FY 2023 TRANSITION LEVY ADJUSTMENT

1021 FY 2023 TRANSITION LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 209) 5,823,286.67

1022 21 PAY 22 LIMIT 5,788,594.62
1023 21 PAY 22 LEVY 5,788,594.62

1024 FY 2023 TRANSITION LEVY ADJUSTMENT = ((1021)-(1022)) = 34,692.05

FY 2023 1ST TIER REFERENDUM LEVY ADJUST

1025 FY 2023 1ST TIER REF LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 238) 14,315,476.00

1026 ALLOCATION OF TBRA (FROM PAY 22 LEVY REPORT, LINE 276)

1027 ALLOC OF REF HOLD HARM (FROM PAY 22 LEVY REPORT, LINE 303)

1028 21 PAY 22 LIMIT 14,230,192.00
1029 21 PAY 22 LEVY 14,230,192.00

FY 2023 1ST TIER REF ADJ (CONT)

1030 PAY 22 LIMIT BEFORE TBRA AND HOLD HARM ADJ = (1026)+(1027) + (1028) = 14,230,192.00

1031 PAY 22 LEVY BEFORE TBRA AND HOLD HARM ADJ = (1026)+(1027) +(1029) = 14,230,192.00

1032 FY 2023 1ST TIER VTR REF LEVY ADJUSTMENT = ((1135)-(1136)) = 85,284.00

FY 2023 2ND TIER REF LEVY ADJUST

1033 FY 2023 2ND TIER REF LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 240) 29,743,513.45

1034 ALLOCATION OF TBRA (FROM PAY 22 LEVY REPORT, LINE 277)

1035 ALLOC OF REF HOLD HARM (FROM PAY 22 LEVY REPORT, LINE 304)

1036 21 PAY 22 LIMIT 29,566,317.40
1037 21 PAY 22 LEVY 29,566,317.40

1038 PAY 22 LIMIT BEFORE TBRA AND HOLD HARM ADJ = (1034)+(1035) +(1036) = 29,566,317.40

1039 PAY 22 LEVY BEFORE TBRA AND HOLD HARM ADJ = (1034)+(1035) +(1037) = 29,566,317.40

1040 FY 2023 2ND TIER REF LEVY ADJUSTMENT = ((1142)-(1143)) = 177,196.05

FY 2023 UNEQUAL REF LEVY ADJ

1041 FY 2023 UNEQUAL REF LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 242) 23,062,231.84

FY 2023 UNEQUAL REF ADJ (CONT)

1042 ALLOCATION OF TBRA (FROM PAY 22 LEVY REPORT, LINE 278)

1043 ALLOC OF REF HOLD HARM (FROM PAY 22 LEVY REPORT, LINE 305)

1044 21 PAY 22 LEVY 17,134,388.58
1045 21 PAY 22 LEVY 17,134,388.58

1046 PAY 22 LIMIT BEFORE TBRA AND HOLD HARM ADJ = (1042)+(1043) +(1044) = 17,134,388.58

1047 PAY 22 LEVY BEFORE TBRA AND HOLD HARM ADJ = (1042)+(1043) +(1045) = 17,134,388.58

1048 FY 2023 UNEQUALIZED REF LEVY ADJUSTMENT = ((1041)-(1046)) = 5,927,843.26

FY 2023 TBRA ALLOCATION ADJUSTMENT TO VOTER-APPROVED LEVIES

FY 2023 ALLOCATION OF TBRA TO REF LEVY CATEGORIES (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINES 253 TO 255)

1049 TIER 1 LEVY
1050 TIER 2 LEVY
1051 UNEQL LEVY

1052 TOTAL FY 2023 TBRA ALLOC TO REF LEVY CATEGORIES = (1049) TO (1051) =

1053 TOTAL FY 2023 TBRA ALLOC TO REF LEVY CATEGORIES FROM PAY 22 LEVY = (1026)+(1034) +(1042) =

1054 FY 2023 TBRA ALLOCATION VTR-APPR ADJUSTMENT = (1053)-(1052) =

FY 2023 LOR TBRA ALLOCATION ADJ

1055 FY 2023 ALLOCATION OF TBRA TO LOR TIER 1 LEVY (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 252) 11,887.79

1006 ALLOCATION OF TBRA (FROM PAY 22 LEVY REPORT, LINE 285) 11,887.79

1056 FY 2023 TBRA ALLOCATION LOR LEVY TIER 1 ADJUSTMENT = (1006)-(1055) =

FY 2023 REFERENDUM HOLD HARMLESS ADJUSTMENT TO VOTER-APPROVED LEVIES

1057 FY 2023 ALLOC OF HOLD HARM TO REF LEVY CATEGORIES (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINES 281 TO 283)

1058 TIER 1 LEVY
1059 TIER 2 LEVY
1060 UNEQL LEVY

1061 TOTAL HOLD HARM ALLOC TO REF LEVY CATEGORIES = (1058) TO (1060) =

1062 TOTAL FY 2023 HOLD HARM ALLOC TO REF LEVY CATEGORIES FROM PAY 22 LEVY =(1027)+(1035)+(1043)

1063 FY 2023 HOLD HARM ALLOC VTR-APPR ADJUSTMENT = (1062)-(1061) =

FY 2023 REFERENDUM HOLD HARMLESS ADJUSTMENT TO LOR TIER 1 LEVIES

1064 FY 2023 ALLOC OF HOLD HARM TO LOR TIER 1 LEVY (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 280)

1007 ALLOC OF REF HOLD HARM (FROM PAY 22 LEVY ALLOCATION OF TBRA

FY 2023 HOLD HARM ADJ (CONT)

1065 FY 2023 HOLD HARM ALLOC TIER 1 LEVY ADJUSTMENT = (1007)-(1064) =

FY 2023 INTEGRATION ADJUSTMENT

1066 FY 2023 INTEG LEVY AUTH (FROM INTEGRATION REVENUE REPORT, LINE 20) 3,868,875.44

1067 21 PAY 22 LIMIT 4,077,681.41
1068 21 PAY 22 LEVY 4,077,681.41

1069 FY 2023 INTEGRATION ADJUSTMENT LIMIT = (1066)-(1068) = 208,805.97-

FY 2021 CARRYOVER INTEGRATION ADJUSTMENT

1070 FY 2021 INTEGRATION LEVY AUTH CARRYOVER FINAL ADJUSTMENT (FROM FY 2021 INTEGRATION CARRYOVER AID REPORT, LINE 14) 865,411.67

1071 FY 2021 INTEG LEVY AUTH CARRYOVER ADJ PAY 23 880,582.80

1072 FY 2021 INTEG LEVY AUTH FINAL CARRYOVER ADJUSTMENT = (1070) - (1071) = 15,171.13-

FY 2023 ALT TEACHER COMP LEVY ADJ

1073 FY 2023 ALT COMP LEVY AUTH (FROM FY 2023 GENERAL EDUC REVENUE REPORT, LINE 326) 2,853,479.64

1074 21 PAY 22 LIMIT 3,009,690.86
1075 21 PAY 22 LEVY 3,009,690.86

1076 FY 2023 ALT TEACH COMP LEVY ADJUSTMENT = ((1070)-(1072)) = 156,211.22-

FY 23 & FY 22 CAPITAL RELATED ADJ

FY 2023 LTFM EQUALIZED LEVY ADJUST

1077 FY 2023 EST LTFM EQUALIZED LEVY AUTHORITY (FROM FY 2023 WEBSITE REPORT, LINE 63)

1078 21 PAY 22 LIMIT
1079 21 PAY 22 LEVY

1080 FY 2023 LTFM EQUALIZED LEVY ADJUST

FY 2023 LTFM UNEQUALIZED LEVY ADJUST

1081 FY 2023 EST LTFM UNEQUALIZED LEVY AUTHORITY (FROM FY 2023 WEBSITE REPORT, LINE 64) 3,445,824.00

1082 21 PAY 22 LIMIT 3,445,824.00
1083 21 PAY 22 LEVY 3,445,824.00

1084 FY 2023 LTFM UNEQUALIZED LEVY ADJUST

FY 2022 LTFM EQUALIZED LEVY ADJUST

1085 FY 2022 EST LTFM EQUALIZED LEVY AUTHORITY (FROM FY 2022 WEBSITE REPORT, LINE 63)

1086 20 PAY 21 LIMIT
1087 20 PAY 21 LEVY

1088 TOTAL ADJUSTMENT

1089 21 PAY 22 ADJ LIMIT
1090 21 PAY 22 ADJ LEVY

1091 FY 2022 LTFM EQUALIZED LEVY ADJUST

FY 2022 LTFM UNEQUAL LEVY ADJ

1092 FY 2022 EST LTFM UNEQUALIZED LEVY AUTH (FROM FY 2022 WEBSITE REPORT, LINE 64) 3,345,461.00

1093 20 PAY 21 LIMIT 3,345,461.00
1094 20 PAY 21 LEVY 3,345,461.00
1095 TOTAL ADJUSTMENT

1096 21 PAY 22 ADJ LIMIT
1097 21 PAY 22 ADJ LEVY

1098 FY 2022 LTFM UNEQUALIZED LEVY ADJUST

3 YEAR PRIOR ADJUSTMENTS

FY 2021 OPERATING CAPITAL LEVY ADJ

1099 FY 2021 OPER CAP LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 170) 6,414,827.98

1100 19 PAY 20 LIMIT 6,446,482.09
1101 19 PAY 20 LEVY 6,446,482.09

1102 TOTAL ADJUST TO PAY 20 OPER CAP LEVY AUTH = ((1100)-(1102)) = 31,654.11-

1103 20 PAY 21 ADJ LIMIT 43,629.61-
1104 20 PAY 21 ADJ LEVY 43,629.61-

1105 FY 2021 OPER CAPITAL LEVY ADJUSTMENT = ((1103)-(1104)) = 11,975.50

FY 2021 LOR TIER 1 LEVY ADJ

1106 FY 2021 LOC OPT TIER 1 AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 189) 10,229,680.21

1107 19 PAY 20 LIMIT 10,652,032.21
1108 19 PAY 20 LEVY 10,652,032.21

1109 TOTAL ADJUST TO PAY 20 LOR OPTIONAL LEVY AUTH = ((1106)-(1108)) = 422,352.00-

FY 2021 LOR TIER 1 LEVY ADJ (CONT)

1110 20 PAY 21 ADJ LIMIT
1111 20 PAY 21 ADJ LEVY

1112 FY 2021 LOR OPTIONAL LEVY ADJUSTMENT = ((1109)-(1111)) = 422,352.00-

FY 2021 LOR TIER 2 LEVY ADJUST

1113 FY 2021 LOC OPT LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 276) 14,474,749.44

1114 19 PAY 20 LIMIT 15,071,673.60
1115 19 PAY 20 LEVY 15,071,673.60

1116 TOTAL ADJUST TO PAY 20 LOR OPTIONAL LEVY AUTH = ((1106)-(1108)) = 596,924.16-

1117 20 PAY 21 ADJ LIMIT 348,104.00-
1118 20 PAY 21 ADJ LEVY 348,104.00-

1119 FY 2021 LOR OPTIONAL LEVY ADJUSTMENT =(1116)-(1117) 248,820.16-

FY 2021 EQUITY LEVY ADJUSTMENT

1120 FY 2021 EQUITY LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 193) 1,706,928.00

1121 19 PAY 20 LIMIT 1,777,320.00
1122 19 PAY 20 LEVY 1,777,320.00

1123 TOTAL ADJUST TO PAY 20 EQUITY LEVY AUTH = ((1120)-(1122)) = 70,392.00-

1124 20 PAY 21 ADJ LIMIT 41,050.00-
1125 20 PAY 21 ADJ LEVY 41,050.00-

1126 FY 2021 EQUITY LEVY ADJUSTMENT = ((1123)-(1125)) = 29,342.00-

FY 2021 TRANSITION LEVY ADJ

1127 FY 2021 TRANSITION LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 200) 6,388,007.35

1128 19 PAY 20 LIMIT 6,651,442.36
1129 19 PAY 20 LEVY 6,651,442.36

1130 TOTAL ADJUST TO PAY 20 TRANSITION LEVY AUTH = ((1127)-(1129)) = 263,435.01-

1131 20 PAY 21 ADJ LIMIT 153,625.51-
1132 20 PAY 21 ADJ LEVY 153,625.51-

1133 FY 2021 TRANSITION LEVY ADJUSTMENT = ((1130)-(1132)) = 109,809.50-

FY 2021 1ST TIER VOTER-APPROVED REFER LEVY ADJUST

1134 FY 2021 1ST TIER REF LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 229) 15,703,737.60

1135 PAY 20 LIMIT BEFORE TBRA AND HOLD HARM ADJ (FROM PAY 21 LEVY REPORT, LINE 1022) 16,351,344.00

1136 PAY 20 LEVY BEFORE TBRA AND HOLD HARM ADJ (FROM PAY 21 LEVY REPORT, LINE 1023) 16,351,344.00

1137 TOTAL ADJUST TO PAY 20 1ST TIER REF LEVY AUTH = ((1134)-(1136)) = 647,606.40-

1138 20 PAY 21 ADJ LIMIT 377,660.00-
1139 20 PAY 21 ADJ LEVY 377,660.00-

1140 FY 2021 1ST TIER REF LEVY ADJUSTMENT = ((1138)-(1140)) = 269,946.40-

FY 2021 2ND TIER REF LEVY ADJUST

1141 FY 2021 2ND TIER REF LEVY AUTH (FROM FY 2021 GENERAL EDUC REV RPT, LINE 231) 30,101,675.28

FY 2021 2ND TIER REF ADJ (CONT)

1142 PAY 20 LIMIT BEFORE TBRA AND HOLD HARM ADJ (FROM PAY 21 LEVY REPORT, LINE 1038) 31,343,038.20

1143 PAY 20 LEVY BEFORE TBRA AND HOLD HARM ADJ (FROM PAY 21 LEVY REPORT, LINE 1039) 31,343,038.20

1144 TOTAL ADJUST TO PAY 20 2ND TIER REF LEVY AUTH = ((1141)-(1143)) = 1,241,362.92-

1145 20 PAY 21 ADJ LIMIT 723,916.75-
1146 20 PAY 21 ADJ LEVY 723,916.75-

1147 FY 2021 2ND TIER REF LEVY ADJUSTMENT = ((1145)-(1147)) = 517,446.17-

FY 2021 UNEQUAL REF LEVY ADJ

1148 FY 2021 UNEQUAL REF LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 233) 17,801,552.11

1149 PAY 20 LIMIT BEFORE TBRA AND HOLD HARM ADJ (FROM PAY 21 LEVY REPORT, LINE 1054) 19,897,808.33

1150 PAY 20 LEVY BEFORE TBRA AND HOLD HARM ADJ (FROM PAY 21 LEVY REPORT, LINE 1055) 19,897,808.33

1151 TOTAL ADJUST TO PAY 20 UNEQUAL REF LEVY AUTH = ((1149)-(1151)) = 2,096,256.22-

1152 20 PAY 21 ADJ LIMIT 1,790,248.50-
1153 20 PAY 21 ADJ LEVY 1,790,248.50-

1154 FY 2021 UNEQUAL REF LEVY ADJUSTMENT = ((1152)-(1154)) = 306,007.72-

FY 2021 TBRA ALLOCATION ADJ
TO VOTER-APPROVED LEVIES

1155 FY 2021 ALLOC OF TBRA TO VTR-APPR REF LEVIES (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINES 244 TO 246)

1156 PAY 20 ALLOC OF TBRA TO VOTER-APPR REF LEVY (FROM PAY 20 LEVY RPT, LINES 297 TO 300)

1157 FY 2021 TBRA ALLOCATION TOTAL ADJUSTMENT = (1156)-(1155) =

1158 20 PAY 21 ADJ LIMIT
1159 20 PAY 21 ADJ LEVY

1160 FY 2021 TBRA ALLOC LEVY ADJUSTMENT

FY 2021 LOR TBRA ADJUST

1161 FY 2021 ALLOC OF TBRA TO LOR TIER 1 LEVY (FROM FY 2021 GENERAL REVENUE REPORT, LINE 243) 11,887.79

1162 ALLOCATION OF TBRA (FROM PAY 20 LEVY RPT, LINE 296) 11,887.79

1163 FY 2021 ALLOCATION OF TBRA LOR LEVY TIER 1 ADJUSTMENT = (1161)-(1162) =

1164 20 PAY 21 ADJ LIMIT
1165 20 PAY 21 ADJ LEVY

1166 FY 2021 LOR TIER 1 TBRA LEVY ADJUSTMENT

FY 2021 REFERENDUM HOLD HARM

1167 FY 2021 ALLOC OF HOLD HARM (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 272 TO 274)

FY 2021 REF HOLD HARM (CONT)

1168 PAY 20 HOLD HARM ALLOC (FROM PAY 20 LEVY RPT, LINE 313 TO 315)

1169 FY 2021 HOLD HARM TOTAL = (1168)-(1167) =

1170 20 PAY 21 ADJ LIMIT
1171 20 PAY 21 ADJ LEVY

1172 FY 2021 HOLD HARM ALLOC

FY 2021 LOR TIER 1 HOLD HARMLESS ADJUSTMENT

1173 FY 2021 ALLOC OF HOLD HARMLESS TO LOR TIER 1 LEVY (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINES 271)

1174 PAY 20 TIER 1 HOLD HARMLESS LEVY (FROM PAY 21 LEVY RPT, LINES 312)

1175 FY 2021 LOR TIER 1 HOLD HARMLESS ADJUSTMENT = (1173)-(1174) =

1176 20 PAY 21 ADJ LIMIT
1177 20 PAY 21 ADJ LEVY

1178 FY 2020 TIER 1 HOLD HARM ADJUSTMENT =(1175)-(1176) =

FY 2021 INTEGRATION ADJUSTMENT

1179 FY 2021 INTEG LEVY AUTH (FROM INTEGRATION REVENUE REPORT, LINE 20) 3,805,178.90

1180 19 PAY 20 LIMIT 4,453,718.01
1181 19 PAY 20 LEVY 4,453,718.01

1182 TOTAL ADJUSTMENT = (1179)-(1181) = 648,539.11-

1183 20 PAY 21 ADJ LIMIT 219,151.57-
1184 20 PAY 21 ADJ LEVY 219,151.57-

FY 2021 INTEGRATION ADJ (CONT)

1185 FY 2021 INTEGRATION ADJUSTMENT LIMIT = (1182)-(1184) = 429,387.54-

FY 2021 REEMPLOYMENT ADJUSTMENT

1186 FY 2021 EXPEND ACTUAL 2,128,889.64
1187 REEMPLOY LEVY AUTH = 100% OF (1186) = 2,128,889.64
1188 20 PAY 21 LIMIT 430,266.25
1189 20 PAY 21 LEVY 430,266.25

1190 FY 2021 REEMPLOY ADJUST = ((1187)-(1188)) = 1,698,623.39

FY 2021 SAFE SCHOOLS ADJUST

1191 SAFE SCH LVY REQUEST YES

54 2020-21 ADJ PU (ACT) 34,138.56

1192 FY 2021 SAFE SCHOOLS AUTH $36 X (54) = 1,228,988.16

1193 19 PAY 20 LIMIT 1,279,670.40
1194 19 PAY 20 LEVY 1,279,670.40

1195 FY 2021 SAFE SCH ADJUST = ((1187)-(1189)) = 50,682.24-

FY 2021 SAFE SCHOOLS INTERMEDIATE ADJUST

1196 SAFE SCH INTERMEDIATE LEVY ALLOW

54 2020-21 ADJ PU (ACT) 34,138.56

1197 FY 2021 SAFE SCHOOLS INTERMEDIATE AUTHORITY = (1196) X (54) =

1198 19 PAY 20 LIMIT
1199 19 PAY 20 LEVY

1200 FY 2021 SAFE SCHOOLS INTERMEDIATE ADJUST

FY 2021 ALT TEACHER COMP LEVY ADJ

1201 FY 2021 ALT COMP LEVY AUTH (FROM FY 2021 GENERAL EDUC REVENUE REPORT, LINE 317) 3,282,991.29
1202 19 PAY 20 LIMIT 3,365,513.26
1203 19 PAY 20 LEVY 3,365,513.26
1204 TOTAL ADJUST TO PAY 20 ALT COMP LEVY AUTH = ((1201)-(1203)) = 82,521.97-
1205 20 PAY 21 ADJ LIMIT 70,431.76-
1206 20 PAY 21 ADJ LEVY 70,431.76-
1207 FY 2021 ALT TEACH COMP LEVY ADJUST = ((1204)-(1206)) = 12,090.21-

FY 2021 LTFM EQUALIZED LEVY ADJ

1208 FY 2021 EST LTFM EQUALIZED LEVY AUTHORITY (FROM FY 2021 WEBSITE REPORT, LINE 63)
1209 19 PAY 20 LIMIT
1210 19 PAY 20 LEVY
1211 TOTAL ADJUSTMENT
1212 20 PAY 21 ADJ LIMIT
1213 20 PAY 21 ADJ LEVY
1214 21 PAY 22 ADJ LIMIT
1215 21 PAY 22 ADJ LEVY
1216 FY 2021 EQUAL LIMIT ADJUST = (1212)+(1214) =
1217 FY 2021 EQUAL LEVY ADJUST = (1213)+(1215) =
1218 FY 2021 LTFM EQUALIZED LEVY ADJUST

FY 2021 LTFM UNEQUAL LEVY ADJ

1219 FY 2021 EST LTFM UNEQUALIZED LEVY AUTH (FROM FY 2021 WEBSITE REPORT, LINE 64) 3,248,019.00

FY 2021 LTFM UNEQUAL ADJ (CONT)

1220 19 PAY 20 LIMIT 1,287,081.46
1221 19 PAY 20 LEVY 1,287,081.46
1222 TOTAL ADJUSTMENT = (1219)-(1220) = 1,960,937.54
1223 20 PAY 21 ADJ LIMIT 1,960,938.54
1224 20 PAY 21 ADJ LEVY 1,960,938.54
1225 21 PAY 22 ADJ LIMIT 1.00-
1226 21 PAY 22 ADJ LEVY 1.00-
1227 FY 2021 UNEQUAL LIMIT ADJUST = (1223)+(1225) = 1,960,937.54
1228 FY 2021 UNEQUAL LEVY ADJUST = (1224)+(1226) = 1,960,937.54
1229 FY 2021 LTFM UNEQUALIZED LEVY ADJUST

FY 2021 CAREER TECHNICAL ADJ

1230 FY 2021 CAREER TECH LEVY AUTHORITY (FY 2021 CTE AID REPORT LINE 21) 683,392.33
1231 20 PAY 21 LIMIT 695,422.70
1232 20 PAY 21 LEVY 695,422.70
1233 FY 2021 CAREER TECH ADJUSTMENT = ((1230)-(1232)) = 12,030.37-

FY 2021 HEALTH BENEFIT LEVY ADJUST

1234 FY 2021 ACTUAL COST (LIMITED TO $600,000)
1235 20 PAY 21 LIMIT
1236 20 PAY 21 LEVY
1237 FY 2021 HEALTH BENEFITS ADJUST

FY 2021 ANNUAL OPEB LEVY ADJ

1238 FY 2021 ACTUAL COST (FIN 797 + OBJ 291) 2,953,971.62
1239 PRORATION FACTOR TO REFLECT STATEWIDE CAP 1.00000000
1240 PRORATED ANNUAL OPEB LEVY AUTH 2,953,971.62
1241 21 PAY 22 LIMIT 2,953,971.62
1242 21 PAY 22 LEVY 2,953,971.62
1243 FY 2021 ANNUAL OPEB ADJUSTMENT (NO ADJUSTMENT)

PAY 20 LEASE LEVY ADJUST

FY 2020 AND FY 2021 LEASE COST WITH A PAY 20 LEVY(PAY 21 LEASE LEVY FOR FY 2021 & 2022 LEASE COSTS WILL BE ADJUSTED NEXT YEAR)

FY 2020 PAY 19 NET LEASE COSTS

1301 PAY 19 OPER INTERMED
1302 PAY 19 CAP INTERMED
1303 PAY 19 TIES CAPITAL
1304 PAY 19 OPER JOINT
1305 PAY 19 OPER NON-J ADM
1306 PAY 19 OPER NON-J 415,465.75
1307 PAY 19 CAPITAL JOINT
1308 PAY 19 CAP NON-J ADM
1309 PAY 19 CAPITAL NON-J
1310 FY 2020 COSTS (PAY 19) SUM (1301) TO (1309)= 415,465.75

FY 2020 PAY 20 NET LEASE COSTS

1311 PAY 20 OPER INTERMED
1312 PAY 20 CAP INTERMED
1313 PAY 20 OPER JOINT
1314 PAY 20 OPER NON-J ADM
1315 PAY 20 OPER NON-J OTH
1316 PAY 20 CAPITAL JOINT
1317 PAY 20 CAP NON-J ADM
1318 PAY 20 CAP NON-J OTH
1319 FY 2020 COSTS (PAY 20) SUM (1311) TO (1318)=

FY 2021 PAY 20 NET LEASE COSTS

1320	PAY 20 OPER INTERMED	
1321	PAY 20 CAP INTERMED	
1322	PAY 20 TIES CAPITAL	
1323	PAY 20 OPER JOINT	
1324	PAY 20 OPER NON-J ADM	
1325	PAY 20 OPER NON-J OTH	420,322.84
1326	PAY 20 CAPITAL JOINT	
1327	PAY 20 CAP NON-J ADM	
1328	PAY 20 CAP NON-J OTH	
1329	FY 2021 COSTS (PAY 20) SUM (1320) TO (1328)=	420,322.84

FY 2021 NET LEASE COSTS

1330	PAY 21 OPER INTERMED	
1331	PAY 21 CAP INTERMED	
1332	PAY 21 OPER JOINT	
1333	PAY 21 OPER NON-J ADM	
1334	PAY 21 OPER NON-J OTH	
1335	PAY 21 CAPITAL JOINT	
1336	PAY 21 CAP NON-J ADM	
1337	PAY 21 CAP NON-J OTH	
1338	FY 2021 COSTS (PAY 21) SUM (1330) TO (1337)	
1339	TOTAL FY 2020 OPER NON-J NET LEASE COSTS =(1306)+(1314)+(1315)	415,465.75
1340	ACTUAL FY 2020 UFARS LEASE COSTS (FUND 1, OBJECT 370)	739,959.95
1341	PAY 19 OPER NON-J LEASE COST LIMITED BY FY 2020 UFARS LSR (1306) OR (1340)=	415,465.75
1342	REMAIN FY 2020 UFARS = GREATER OF ZERO OR [(1340) - (1341)] =	324,494.20
1343	PAY 20 OPER NON-J LEASE COST LIMITED BY FY 2020 UFARS = LSR [(1314)+(1315)] OR (1342) =	
1344	FY 2020 ADJUSTED COSTS (PAY 20) = (1319) - (1314)-(1315)+(1343)=	

FY 2021 PAY 21 NET LEASE COSTS

1345	TOTAL FY 2021 OPER NON-J NET LEASE COSTS FOR (PAY 20) = (1324) + (1325) =	420,322.84
1346	ACTUAL FY 2021 UFARS LEASE COSTS (FUND 1, OBJECT 370)	787,340.00
1347	PAY 20 OPER NON-J LEASE COST LIMITED BY FY 2021 UFARS =LSR(1345) OR (1346)=	420,322.84

FY 2021 NET LEASE COSTS

1348	FY 2021 ADJUSTED COSTS (PAY 20) = (1329) - (1324)-(1325)+(1347)=	420,322.84
1349	PAY 20 ADJUSTED NET LEASE COSTS = (1344) + (1348) =	420,322.84
1350	DIST'S SHARE OF PAY 20 LEASE COSTS FOR THE INTERMEDIATE DISTRICTS = (1311) + (1312) + (1320) + (1321) =	
54	2020-21 ADJ PU (ACT)	34,138.56
1351	INTERM PUPIL UNIT AUTH = $65 X (54) =	2,219,006.40
1352	INTERM LEASE AUTH = LSR OF (1350) OR (1351) =	
1353	INTERM DIST CARRYOVER TO REGULAR LEASE AUTH = (1350) - (1352) =	
1354	PAY 20 LEASE COST UNDER REGULAR AUTH = (1349) - (1352) =	420,322.84
54	2020-21 ADJ PU (ACT)	34,138.56
1355	PAY 20 PUPIL UNIT MAX AUTH = $212 X (54) =	7,237,374.72
1356	PAY 20 COMMISSIONER APPROVED LIMIT	

FY 2021 NET LEASE COSTS

1357	REGULAR MAX AUTHORITY = GTR OF (1355) OR (1356) =	7,237,374.72
1358	TOTAL PAY 20 REGULAR LEASE LEVY AUTHORITY = LSR OF (1354) OR (1357) =	420,322.84
1359	TOTAL PAY 20 REGULAR & INTERM LEASE LEVY AUTH = (1352) + (1358) =	420,322.84
1360	19 PAY 20 LIMIT	416,819.44
1361	19 PAY 20 LEVY	416,819.44
1362	PAY 20 LEASE LEVY LIMITATION ADJUSTMENT = (1359) - (1360) =	3,503.40

CAPITAL RELATED ADJ SUMMARY

1004	FY 2023 OPER CAP ADJ	42,268.71
1105	FY 2021 OPER CAP ADJ	11,975.50
1080	FY 2023 LTFM EQ ADJ	
1084	FY 2023 LTFM UNEQ ADJ	
1091	FY 2022 LTFM EQ ADJ	
1098	FY 2022 LTFM UNEQ ADJ	
1218	FY 2021 LTFM EQ ADJ	
1229	FY 2021 LTFM UNEQ ADJ	
1362	PAY 20 LEASE LEVY ADJ	3,503.40
1363	LEASE LEVY ADJ (MEMO)	
1364	OTHER CEX ADJ (MEMO)	
1365	TOTAL CAPITAL RELATED LEVY LIMIT ADJUSTMENT =(1004)+(1105)+(1080) +(1084)+(1091)+(1098) +(1218)+(1229)+(1362) +(1363)+(1364) =	57,747.61

OTHER GENERAL LIMITATION ADJ

760	GENERAL FUND LEVY ADJ FOR FAC & EQUIP BONDS	
1366	ECON DEV ABATE ADJUST (MEMO)	
1367	DEBT SURPLUS TRANSFER (MEMO)	
1368	SCH TAX ADJUSTMENT (FROM STR ADJUST REPORT, LINE 9)	

OTHER GEN LIMITATION ADJ (CONT)

1369 OTHER ADJUST, GEN RMV VOTER APPROVED JOBZ EXEMPT (MEMO)

1370 TOTAL OTHER ADJUST GEN RMV VOTER APPR JOBZ EXEMPT = (1368)+(1369) =

1371 MAINT PU VAR (MEMO)

1372 SCH TAX ADJUSTMENT (FROM STR ADJUST REPORT, LINE 14)

1373 OTHER ADJUST, GEN RMV OTHER JOBZ EXEMPT (MEMO)

1374 TOTAL OTHER ADJUST GEN OTHER RMV JOBZ EXEMPT= =(1371)+(1372)+(1373)

1375 SCH TAX ADJUSTMENT (FROM STR ADJUST REPORT, LINE 23)

1376 OTHER ADJUST, GEN NTC VOTER APPROVED JOBZ EXEMPT (MEMO)

1377 TOTAL OTHER ADJUST GEN NTC VOTER APPR JOBZ EXEMPT =(1375)+(1376)=

1378 TIF ADJUST (MEMO)

1379 SCH TAX ADJUSTMENT (FROM STR ADJUST REPORT, LINE 28)

1380 FY 2021 INTEG LEVY AUTH CARRYOVER ADJUSTMENT 15,171.13-

1381 OTHER ADJUST, GEN NTC OTHER JOBZ EXEMPT (MEMO)

1382 TOTAL OTHER ADJUST, GEN NTC OTHER JOBZ EXEMPT=(1378)+(1379) + (1380)+(1381) = 15,171.13-

GEN FUND ADJUST SUMMARY

1383 GENERAL RMV VOTER APPROVED JOBZ EXEMPT =(1032)+(1040)+(1048) +(1054)+(1063)+(1140) +(1147)+(1154)+(1160) +(1172)+(1370) = 5,096,923.02

1384 GENERAL RMV OTHER JOBZ EXEMPT =(1012)+ +(1016)+(1020)+(1024) +(1056)+(1065)+(1112) +(1119)+(1126)+(1133) +(1166)+(1178)+(1374) 632,132.01-

1385 GENERAL NTC VOTER APPROVED JOBZ EXEMPT =(1377) =

1386 GENERAL NTC OTHER JOBZ EXEMPT = (760)+(1069)+(1076) +(1185)+(1190)+(1195) +(1200)+(1207)+(1233) +(1237)+(1243)+(1365) +(1366)+(1367)+(1382) 871,992.32

1387 TOTAL GENERAL LEVY LIMITATION ADJUSTMENT = (1383)+(1384) + (1385)+(1386) = 5,336,783.33

COMMUNITY SERVICE FUND ADJUSTMENTS

FY 2023 EARLY CHILD FAMILY ADJ

1400 FY 2023 REVISED ECFE LEVY AUTH (FROM FY 2023 ECFE AID REPORT, LINE 1.7) 1,806,094.50

1401 21 PAY 22 LIMIT 1,806,476.14

1402 21 PAY 22 LEVY 1,806,476.14

1403 FY 2023 EARLY CHILD FAMILY ADJUST = ((1400)-(1402)) = 381.64-

FY 2021 HOME VISITING ADJ

1404 FY 2021 HOME VISITING FINAL ADJUSTMENT (FROM FY 2021 HOME VISITING AID REPORT, LINE 8) 83,172.00

FY 2021 HOME VISITING ADJ

1405 19 PAY 20 LIMIT 84,372.00

1406 19 PAY 20 LEVY 84,372.00

1407 FY 2021 HOME VISIT ADJUSTMENT = ((1404)-(1406)) = 1,200.00-

FY 2021 SCHOOL-AGE CARE

1408 FY 2021 AUTHORITY (FROM UFARS EXPENDITURES) 325,825.10

1409 19 PAY 20 LIMIT 490,000.00

1410 19 PAY 20 LEVY 490,000.00

1411 SCH-AGE CARE ADJUSTMENT = ((1408)-(1410)) = 164,174.90-

1412 ADULTS W/DISABILITIES ADJUST

1413 SCH TAX ADJUSTMENT (FROM STR ADJUST REPORT, LINE 33)

1414 OTHER ADJUST (MEMO) 164,174.90

1415 TOTAL OTHER ADJUST =(1413)+(1414)= 164,174.90

1416 TOTAL COMMUNITY SERVICE LIMITATION ADJUSTMENT =(1403)+(1407)+(1411) + (1412) + (1415) = 1,581.64-

GENERAL DEBT SERVICE ADJUSTMENTS

1701 REDUCTION DEBT SERVICE EXCESS, VOTER APPROVED = (762) X -1 =

1702 OTHER ADJUST (MEMO) VOTER APPROVED

1703 TOTAL DEBT SERV ADJUST VOTER APPROVED = (1701)+(1702) =

1704 REDUCTION DEBT SERVICE EXCESS, NON-VOTER APPROV = (763) X -1 =

GENERAL DEBT SERVICE ADJUST

1705 OTHER ADJUST (MEMO) NON-VOTER APPROVED

1706 TOTAL DEBT SERV ADJUST NON-VOTER APPROVED = (1704)+(1705) + (1710)+(1717)+(1728)=

FY 2023 LTFM DEBT LEVY ADJ

1707 FY 2023 EST LTFM DEBT LEVY AUTHORITY (FROM WEBSITE FY 2023 RPT, LINE 59) 21,407,590.50

1708 21 PAY 22 LIMIT 21,407,590.50
1709 21 PAY 22 LEVY 21,407,590.50

1710 FY 2023 LTFM DEBT LEVY ADJ =(1707)-(1708)=

FY 2022 LTFM DEBT LEVY ADJUST

1711 FY 2022 EST LTFM DEBT LEVY AUTHORITY (FROM WEBSITE FY 2022 RPT, LINE 59) 19,456,738.25

1712 20 PAY 21 LIMIT 19,456,738.25
1713 20 PAY 21 LEVY 19,456,738.25
1714 TOTAL ADJUSTMENT ADJ =(1711)-(1712)=

1715 21 PAY 22 ADJ LIMIT
1716 21 PAY 22 ADJ LEVY

1717 FY 2022 LTFM DEBT LEVY ADJ =(1714)-(1715)=

FY 2021 LTFM DEBT LEVY ADJUST

1718 FY 2021 EST LTFM DEBT LEVY AUTHORITY (FROM WEBSITE FY 2021 RPT, LINE 59) 17,476,761.75

1719 19 PAY 20 LIMIT 17,476,761.75
1720 19 PAY 20 LEVY 17,476,761.75

1721 TOTAL ADJUSTMENT ADJ =(1718)-(1719)=

1722 20 PAY 21 ADJ LIMIT
1723 20 PAY 21 ADJ LEVY

FY 2021 LTFM DEBT LEVY ADJ (CONT)

1724 21 PAY 22 ADJ LIMIT
1725 21 PAY 22 ADJ LEVY

1726 FY 2021 DEBT LIMIT ADJUST = (1722)+(1724) =
1727 FY 2021 DEBT LEVY ADJUST = (1723)+(1725) =

1728 FY 2021 LTFM DEBT LEVY ADJ =(1721)-(1726)=

OTH POSTEMPLOYMENT BENE (OPEB) & PENSION DEBT SERVICE ADJUSTMENTS

1900 REDUCTION DEBT EXCESS, VOTER APPROV = GTR OF [(921)OR(924)] X -1 =

1901 OTHER OPEB DS ADJUST (MEMO) VOTER APPROVED

1902 TOTAL OPEB DEBT SERV ADJ VOTER APPROVED = (1900)+(1901) =

1903 REDUCTION DEBT EXCESS, NON-VOTER = GTR OF [(922)OR(925)] X -1 = 2,391,440.55-

1904 OTHER OPEB DS ADJUST (MEMO)NON-VOTER APPR

1905 TOTAL ADJUSTMENT NON-VOTER APPROVED = (1903)+(1904) = 2,391,440.55-

ABATEMENT ADJUSTMENTS

INITIAL ABATEMENT LEVY ADJUSTMENT

2001 SCHOOL TAXES ABATED IN 2021 1,697,554.99-
2002 SCHOOL TAXES ADDED IN 2021
2003 NET CHANGE IN SCHOOL TAXES = (2001)+(2002) = 1,697,554.99-
2004 ABATEMENT RECOVERY REVENUE [GTR OF ZERO OR -1 X (2003)] 1,697,554.99

INITIAL ABATE LEVY ADJ (CONT)

2024 FY 2023 ABATEMENT AID 60,272.04

2005 INITIAL ABATEMENT LEVY ADJUSTMENT = (2004)-(2024) = 1,637,282.95

PAY 20 CERTIFIED LEVY PLUS AUDITOR ADJUSTMENT BY FUND

2006 GENERAL 142,737,828.52
2007 COMMUNITY SERVICE 5,568,033.64
2008 GENERAL DEBT SERVICE 82,348,703.81
2009 OPEB DEBT SERVICE 2,402,316.61
2010 TOTAL 233,056,882.58

CERTIFIED LEVY RATIO BY FUND

2011 GENERAL (2006)/(2010) .63307490
2012 COM SER (2007)/(2010) .02389131
2013 GEN DBT (2008)/(2010) .35334165
2014 OPEB DBT (2009)/(2010 .01030786
2015 TOTAL 1.00000000

ABATEMENT AID BY FUND (FROM PART III OF FY 2023 ABATEMENT AID REPORT)

2016 GENERAL 46,955.30
2017 COMMUNITY SERVICE 13,316.74
2018 GENERAL DEBT SERVICE
2019 TOTAL 60,272.04

2020 EST FY 2023 ABATEMENT AID PRORATION FACTOR 1.00000000

PRORATED ABATEMENT AID BY FUND

2021 GENERAL (2020)X(2016) 46,955.30
2022 COM SER (2020)X(2017) 13,316.74
2023 GEN DBT (2020)X(2018)
2024 TOTAL 60,272.04

INITIAL ABATE LEVY ADJ BY FUND (ZERO IF NO LEVY AUTHORITY IN FUND)

2025 GENERAL=(2004)-(2024)-(2026)-(2027)-(2028)= 1,010,226.00
2026 COM SER [(2004)X(2012)]-(2022) = 27,240.07
2027 GDS DBT [(2004)X(2013)]-(2023) = 599,816.88
2028 OPEB DBT [(2004)X(2014)] =
2005 TOTAL = (2004)-(2024) 1,637,282.95

ABATEMENT INTEREST ADJUSTMENT

2029	ABATEMENT INTEREST DEDUCTED FROM TAX SETTLEMENTS IN 2021	47,831.90

ABATEMENT INTEREST ADJUST BY FUND
(ZERO IF NO LEVY AUTHORITY IN FUND)

2030	GENERAL = (2029) -(2031) -(2032)-(2033) =	29,788.13
2031	COM SER (2029)X(2012)	1,142.77
2032	GEN DBT (2029)X(2013)	16,901.00
2033	OPEB DBT (2029)X(2014	
2029	TOTAL	47,831.90

FY 2021 ABATEMENT AID ADJUST
(ZERO IF NO LEVY AUTHORITY IN FUND)

2034	GENERAL	
2035	COMMUNITY SERVICE	
2036	GEN DEBT	
2037	OPEB DEBT	
2038	TOTAL	

TOTAL REGULAR ABATE LEVY ADJ

2039	GENERAL = (2025)+(2030)+(2034)=	1,040,014.13
2040	COMMUNITY SERVICE = (2026)+(2031)+(2035)=	28,382.84
2041	GEN DEBT SERVICE = (2027)+(2032)+(2036)=	616,717.88
2042	OPEB DEBT SERVICE = (2028)+(2033)+(2037)=	
2043	TOTAL	1,685,114.85

CARRY-OVER ABATE LEVY AUTHORITY

PAY 22 REGULAR ABATEMENT LIMIT

2044	GENERAL	633,301.54
2045	COMMUNITY SERVICE	20,510.51
2046	GENERAL DEBT SERVICE	416,527.33
2047	OPEB DEBT SERVICE	

PAY 22 REGULAR ABATEMENT LEVY

2048	GENERAL	633,301.54
2049	COMMUNITY SERVICE	20,510.51
2050	GENERAL DEBT SERVICE	416,527.33
2051	OPEB DEBT SERVICE	

CARRY-OVER ABATEMENT LEVY LIM
(ZERO IF NO LEVY AUTHORITY IN FUND)

2052	GENERAL=(2044)-(2048) OR MEMO	
2053	COM SER=(2045)-(2049) OR MEMO	
2054	GEN DBT=(2046)-(2050) OR MEMO	
2055	OPEB DBT=(2047)-(2051) OR MEMO	
2056	TOTAL	

ADVANCE ABATEMENT LEVY ADJUST

2057	SCHOOL TAXES ABATED IN 1ST 6 MO OF 2022	755,598.31-
2058	SCHOOL TAXES ADDED IN 1ST 6 MO OF 2022	
2059	NET CHANGE IN SCHOOL TAXES (2057)+(2058)	755,598.31-
2060	TOTAL ADVANCE ABATE LEVY AUTHORITY [GTR OF ZERO OR -1 X (2059)]	755,598.31

ADVANCE ABATEMENT AUTH BY FUND

2061	GENERAL = (2060) -(2062)-(2063)-(2064)	462,773.13
2062	COM SER (2060)X(2012)	18,052.23
2063	GEN DBT (2060)X(2013)	266,984.35
2064	OPEB DBT (2060)X(2014	7,788.60
2060	TOTAL	755,598.31

PREVIOUS ADVANCE ABATE LEVY
(PAY 21 PREVIOUS ADVANCE PLUS PAY 21 ADVANCE LEVY)

2065	GENERAL	517,719.56
2066	COMMUNITY SERVICE	19,230.90
2067	GENERAL DEBT SERVICE	274,366.37
2068	OPEB DEBT SERVICE	10,009.47
2069	TOTAL	821,326.30

ADVANCE ABATEMENT ADJUSTMENT BY FUND
(ZERO IF NO LEVY AUTHORITY IN FUND)

2070	GENERAL=(2060)-(2069)-(2071)-(2072)-(2073)=	57,167.30-
2071	COM SER (2062)-(2066)	1,178.67-
2072	GEN DBT (2063)-(2067)	7,382.02-
2073	OPEB DBT (2064)-(2068	
2074	TOTAL	65,727.99-

TOTAL INITIAL LEVY LIMITATION
SUMMARY BEFORE OFFSETTING ADJUST

GENERAL FUND INITIAL LEVY SUMMARY

3001	GENERAL RMV VOTER APPROVED JOBZ EXEMPT = (516)+(1383) =	69,990,336.92
3002	GENERAL RMV OTHER JOBZ EXEMPT = (517)+(1384) =	27,603,297.00
3003	GENERAL NTC VOTER APPROVED JOBZ EXEMPT = (518)+(1385) =	15,849,328.64
3004	GENERAL NTC OTHER JOBZ EXEMPT +(519)+(1386)+(2039) +(2052)+(2070) =	32,405,287.59
3005	TOTAL GENERAL FUND INITIAL LEVY LIMITATION = (3001)+(3002) + (3003)+(3004) =	145,848,250.15

COMMUNITY SERV INIT LEVY SUMMARY

3006	TOTAL COMMUNITY SERVICE FUND INITIAL LEVY LIMITATION = (634)+(1416)+(2040) + (2053)+(2071) =	5,474,604.23

GEN DEBT SERV INITIAL LEVY SUMMARY

3007	GEN DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT = (812)+(1703)+(2041) + (2054)+(2072) =	
3008	GEN DEBT SERVICE OTHER JOBZ NONEXEMPT = (813)+(1706)+(2041) + (2054)+(2072) =	92,497,294.42
3009	TOTAL DEBT SERVICE FUND INITIAL LEVY LIMITATION = (3007)+(3008) =	92,497,294.42

OPEB/PENSION DEBT SVC INITIAL
LEVY SUMMARY

3010 OPEB/PENSION DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT = (903)+(1900)+(2042) + (2055)+(2073) =

3011 OPEB/PENSION DEBT SERVICE OTHER JOBZ NONEXEMPT =(908)+(1903)+(2042) + (2055)+(2073) = 2,391,440.55-

3012 TOTAL OPEB/PENSION DEBT SERVICE FUND INITIAL LEVY LIMITATION = (3010)+(3011) = 2,391,440.55-

OFFSETTING ADJUSTMENTS (COUNTY AUDITORS CANNOT SPREAD LEVIES BASED ON A NEGATIVE TAX RATE. TOTAL LEVY LIMITATIONS BY TRUTH IN TAXATION LEVY/FUND CATEGORY SHOWN ON PAGE 30 MUST BE ZERO OR GREATER).

OFFSET CARRIED FORWARD

3013 GENERAL
3014 GENERAL DEBT SERVICE
3015 OPEB/PENSION DEBT SERVICE 228,643.03-

POSITIVE OFFSETTING ADJUSTMENTS IN GENERAL AND COM SERV FUNDS

3016 GEN RMV VOTER JOBZ EXEMPT POSITIVE OFFSET GTR 0 OR [0-(3001)]

3017 GEN RMV OTHER JOBZ EXEMPT POSITIVE OFFSET GTR 0 OR [0-(3002)]

3018 GEN NTC VOTER JOB EXEMPT POSITIVE OFFSET GTR 0 OR [0-(3003)]

3019 GEN NTC OTHER JOBZ EXEMPT POSITIVE OFFSET GTR 0 OR [0-(3004)]

POSITIVE OFFSETTING ADJ (CONT)

3020 COM SERV POSITIVE OFFSET GTR 0 OR [0-(3006)]

COLLECT NEGATIVE ADJUSTMENTS IN GENERAL AND COMM ED FUNDS

3021 GEN RMV VOTER JOBZ EXEMPT NEGATIVE OFFSET

3022 GEN RMV OTHER JOBZ EXEMPT NEGATIVE OFFSET

3023 GEN NTC VOTER JOB EXEMPT NEGATIVE OFFSET

3024 GEN NTC OTHER JOBZ EXEMPT NEGATIVE OFFSET

3025 COM SERV NEGATIVE OFFSET

NET OFFSETTING ADJUSTMENTS IN GEN AND COM SERV

3026 GEN RMV VOTER JOBZ EXEMPT NET OFFSET ADJ = (3016)+(3021) =

3027 GEN RMV OTHER JOBZ EXEMPT NET OFFSET ADJ = (3017)+(3022) =

3028 GEN NTC VOTER JOB EXEMPT NET OFFSET ADJ = (3018)+(3023) =

3029 GEN NTC OTHER JOBZ EXEMPT NET OFFSET ADJ = (3019)+(3024) =

3030 COM SERV NET OFFSET ADJ = (3020)+(3025) =

POSITIVE OFFSETTING ADJ
IN GENERAL DEBT SERV FUND

3031 GDS VOTER JOBZ NONEXEMPT POSITIVE OFFSET GTR OF 0 OR [-(3007)]

3032 GDS OTHER JOBZ NONEXEMPT POSITIVE OFFSET GTR OF 0 OR [-(3008)]

COLLECT NEGATIVE ADJUSTMENTS IN GENERAL DEBT SERV FUND

3033 GDS VOTER JOBZ NONEXEMPT NEGATIVE OFFSET

COLLECT NEGATIVE ADJUSTMENTS IN GENERAL DEBT SERV FUND

3034 GDS OTH JOBZ NONEXEMPT NEGATIVE OFFSET

3035 GDS VOTER JOBZ NONEXEMPT NET OFFSET ADJ = (3031)+(3033) =

3036 GDS OTH JOBZ NONEXEMPT NET OFFSET ADJ = (3032)+(3034) =

3037 OPEB/PENSION DEBT SERVICE VOTER JOBZ NONEXEMPT POSITIVE OFFSET GTR OF 0 OR [-(3010)]

POSITIVE OFFSETTING ADJUSTMENTS IN OPEB/PENSION DEBT SERV FUND

3038 OPEB/PENSION DEBT SERVICE OTHER JOBZ NONEXEMPT POSITIVE OFFSET GTR OF 0 OR [-(3011)] 2,391,440.55

3039 OPEB/PENSION DEBT SERVICE VOTER JOBZ NONEXEMPT NEGATIVE OFFSET

COLLECT NEGATIVE ADJUST
IN OPEB/PENSION DEBT SERV FUND

3040 OPEB/PENSION DEBT SERVICE
OTHER JOBZ NONEXEMPT
NEGATIVE OFFSET

NET OFFSETTING ADJUSTMENTS
IN OPEB/PENSION DEBT SERV FUND

3041 OPEB/PENSION DEBT SERVICE
VOTER JOBZ NONEXEMPT
NET OFFSET ADJ
= (3037)+(3039) =

3042 OPEB/PENSION DEBT SERVICE
OTHER JOBZ NONEXEMPT
NET OFFSET ADJ
= (3038)+(3040) = 2,391,440.55

NET NEGATIVE ADJ BALANCE
TO BE CARRIED FORWARD

3043 GENERAL ADJUST BALANCE
FORWARD = (3013)-(3026)
-(3027)-(3028)-(3029)
-(3030) =

3044 GENERAL DEBT SERVICE
ADJUST BALANCE FORWARD
=(3014)-(3035)-(3036)

3045 OPEB/PENSION DEBT SERVICE
ADJUST BALANCE FORWARD
=(3041)-(3042)= 2,391,440.55-

3046 TOTAL ADJUST BALANCE
FORWARD =(3043)
+(3044)+(3045)= 2,391,440.55-

LEVY AFTER OFFSETS
STARTING POINT FOR MAX
EFFORT ADJUSTMENTS

3500 GEN DEBT VOTER APPR
3501 GEN DEBT OTHER 92,497,294.42
3502 OPEB DEBT VOTER APPR
3503 OPEB DEBT OTHER
3504 GENERAL NTC VOTER 15,849,328.64
3505 GENERAL NTC OTHER 32,405,287.59
3506 COMMUNITY SERVICE 5,474,604.23

MAXIMUM EFFORT LOAN AID

3507 ACT MAX EFF LOAN AID
FOR FY 2018 - FY 2022

3508 Pay 18 - PAY 21 ACT MAX
EFF LOAN AID LEVY LIMIT
ADJUST (ALL FUNDS) =

3509 REQUESTED DEBT
DEFEASANCE AMOUNT
BY END OF FY 2023

3510 BAL AVAIL END FY 2023
(3507)-(3508) =

LEVY LIMITS ARE REDUCED
IN THE FOLLOWING ORDER

3511 GEN DEBT VOTER =
3512 GEN DEBT OTHER =
3513 OPEB DEBT VOTER =
3514 OPEB DEBT OTHER =
3515 GENERAL NTC VOTER =
3516 GENERAL NTC OTHER =
3517 COMMUNITY SERVICE =

3518 MAX EFF LEVY LIMIT ADJ =
SUM (3511) TO (3517)=

3519 MAX EFFORT LOAN AID
RETAINED FOR
FUTURE USE
=(3510) - (3518) =

TACONITE REFERENDUM DATA
INFORMATION ONLY

4001 1983-84 RESIDENT PU
4002 2011-12 RESIDENT PU
44 2021-22 RES PU (PRE) 51,720.31
57 2023-24 ADJ PU (EST) 29,390.00

4003 TACONITE REG REF PU
=GTR (4001) OR (44)=

4004 2011 NET TAX CAPACITY
4005 TAC REF REV REDUCT FOR
BOTH REG AND ADD REF
= (4004) X 1.8% =

FY 2024 TAC REG REF REV
(PAY 01 REF LEVY REQ)

4006 REG FRONT END FORMULA
= (4003) X $175 =
4007 TAC REG REF REV = GTR
0 OR [(4006)-(4005)]=

FY 2024 TAC ADD REF REV

4008 FY 13 REF REV ALLOW
4009 TAC REF ADD ALLOWANCE
= (4008)+$415 =
4010 ADD FRONT END FORMULA
= (4002) X (4009) =
4011 TAC ADD BASE = GTR 0
OR [(4010)-(4005)] =
4012 TAC ADD REF REVENUE
= (4011) X 22.5% =

FY 2024 TAC TOTAL REF REV
(JULY 2022 PAYMENT)

4013 TAC TOTAL REF REV
= (4007)+(4012) =
4014 MAXIMUM EC RESERVE
= (57) X $25 =
4015 RSVD EARLY CHILDHOOD
= LSR(4013)OR(4014)=

FY 2022 TACONITE RECEIPTS
(FEB 2022 & AUG 2022 PYMT)
USED TO CALCULATE PAY 23
LEVY LIMITATION REDUCTION

4016 TAC POT 13.72 CENTS
PER TON (INITIAL AMT)

4017 CITY/TWP REPLACEMENT
NOT USED THIS YEAR

4018 TAC POT ALLOCATED TO
OTHER TAC SCHOOL DIST
TO FUND LINE (4028)

4019 TAC POT ALLOCATED TO
CITIES AND TOWNSHIPS
(SEE SPREADSHEET)

4020 TAC POT RECEIPTS BASE
= (4016) - (4017) -
(4018) - (4019) =

4021 MINING 3.43 CENTS/TON

4022 TAC RAILR GRANDFATHER

TACONITE RECEIPTS (CONT)

4023 DEER RVR GRANDFATHER

4024 FY 2022 ELIGIBLE TAC RECEIPTS BASE AMOUNT =SUM(4020) TO (4023)=

4025 MAX TAC REDUCT = 95% OF [(4024)+(4019)]

4026 TOTAL PAY 21 TAC LEVY LIMIT ADJUST ON LEVY LIMIT & CERTIFICATION

4027 FY 2022 ELIG DIST TAC REPL AMT PLUS PAY 21 TAC LEVY ADJUSTMENT =(4024)+(4026)-(4019)

4028 TAC POT ALLOCATED FROM OTHER TAC SCH DIST FOR PAY 21 LEVY REPLACMENT [NOT INCL IN (4024)]

4029 TAC PROP TAX RELIEF ACCOUNT TRANSFER FOR PAY 21 LEVY REPLACMENT [NOT INCL IN (4024)]

4030 FY 2022 ADDITIONAL TAC POT 11 CENTS/TON [NOT INCL IN (4024)]

4031 FY 2022 TAC BLDG MAINT & REPAIR 4 CENTS/TON [NOT INCL IN (4024)]

LEVY LIMIT SUBJECT TO TACONITE ADJUSTMENT

4032 COMMUNITY SERVICE
4033 OTHER GENERAL NTC

4034 REDUCED OTHER NTC FOR LIMITED LTFM LEVY

4035 OTHER GENERAL RMV

4036 OP REFERENDUM (VOTER)
4037 = 50% OF (4036) =

4038 CAP PROJ LIMIT(VOTER)
4039 = 50% OF (4038) =

4040 NET OPEB DEBT SERV LEVY NON-VOTER APPR BONDS

LEVY LIMIT SUBJECT TO TACONITE ADJUSTMENT (CONT)

4041 NET OPEB DEBT SERV LEVY FOR VOTER APPR BONDS
4042 = 50% OF (4041) =

4043 NET GEN DEBT SERV LEVY NON-VOTER APPR BONDS

4044 NET GEN DEBT SERV LEVY FOR VOTER APPR BONDS
4045 = 50% OF (4044) =

4046 COM SERV = -1 X (LSR OF (4025) OR (4032))=
4047 REMAINING REDUCTION = (4025)+(4046) =

4048 GEN OTH NTC = -1 X (LSR OF (4034) OR (4047))=
4049 REMAINING REDUCTION = (4047)+(4048) =

4050 OPEB TACONITE ADJUST NON-VOTER = -1 X (LSR OF (4040) OR (4049))=
4051 REMAINING REDUCTION = (4049)+(4050) =

4052 GDS TACONITE ADJUST NON-VOTER = -1 X (LSR OF (4043) OR (4051))=
4053 REMAINING REDUCTION = (4049)+(4052) =

4054 GEN OTH RMV = -1 X (LSR OF (4035) OR (4053))=
4055 REMAINING REDUCTION = (4053)+(4054) =

4056 OPER REF = -1 X (LSR OF (4037) OR (4055))=
4057 REMAINING REDUCTION = (4055)+(4056) =

4058 CAP PROJ = -1 X (LSR OF (4039) OR (4057))=
4059 REMAINING REDUCTION = (4057)+(4058) =

4060 OPEB DEBT TAC ADJUST VOTER APPR= -1 X (LSR OF (4042) OR (4059))=
4061 REMAINING REDUCTION = (4059)+(4060) =

LEVY LIMIT SUBJECT TO TACONITE ADJUSTMENT (CONT)

4062 GDS TACONITE ADJUST VOTER APPR= -1 X (LSR OF (4045) OR (4061))=

4063 TOTAL TACONITE LEVY LIMITATION ADJUST = (4046)+(4048)+(4050)+ (4052)+(4054)+(4056)+ (4058)+(4060)+(4062)=

4064 CITY/TOWNSHIP DISTRIBUTION = (4025)+(4063) =

FY 2024 LEVY, AID & REVENUE SUMMARY BY FUND CONTINUES ON PAGE 29

FY 2024 LEVY, AID & REV SUMMARY
BY FUND
(ESTIMATE AT TIME OF PROPOSED LEVY CERTIFICATION)

GENERAL FUND

5001 GEN RMV VOTER APPROVED JOBZ EXEMPT = (3001) +(3026)+(4056) = 69,990,336.92

5002 GENERAL RMV OTHER JOBZ EXEMPT = (3002) +(3027)+(4054) = 27,603,297.00

5003 GEN NTC VOTER APPROVED JOBZ EXEMPT = (3003)+ (3028)+(3515)+(4058)= 15,849,328.64

5004 GENERAL NTC OTHER JOBZ EXEMPT = (3004)+ (3029)+(3516)+(4048)= 32,405,287.59

5005 TOTAL GENERAL FUND LEVY LIMITATION = (5001)+(5002)+(5003) + (5004) = 145,848,250.15

5006 TOTAL GENERAL FUND AID = (323)+(329)+(334)+ (340)+(341)+(342)+(358) +(383)+(443)+(2021)= 335,371,014.81

5007 MAX EFFORT LOAN AID USED = -(3515)-(3516) =

5008 TACONITE RECEIPTS = - (4048)-(4054) - (4056)-(4058) =

5009 TOTAL GENERAL FUND REVENUE = (5005)+ (5006)+(5007)+(5008)=481,219,264.96

COMMUNITY SERVICE FUND

5010 TOTAL COMMUNITY SERVICE FUND LEVY LIMITATION = (3006)+ (3030)+(3517)+(4046)= 5,474,604.23

5011 TOTAL COMMUNITY SERVICE FUND AID = (611)+(621)+(626) + (632)+(2022) = 2,357,730.64

COMMUNITY SERVICE FUND

5012 MAX EFFORT LOAN AID USED = -(3517) =

5013 TACONITE RECEIPTS = -(4046) =

5014 TOTAL COMM SERV FUND REVENUE = (5010) +(5011)+(5012)+(5013) 7,832,334.87

GENERAL DEBT SERVICE FUND

5015 GEN DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT = (3007)+ (3035)+(3511)+(4062)=

5016 GEN DEBT SERV OTHER JOBZ NONEXEMPT = (3008) (3036)+(3512)+(4052)= 92,497,294.42

5017 TOTAL DEBT SERVICE FUND LEVY LIMITATION = (5015)+(5016) = 92,497,294.42

5018 TOTAL DEBT SERVICE FUND AID = (438)+ (779)+(799)+(2023) = 11,000,000.00

5019 MAX EFFORT LOAN AID USED =(3508)-(3511)-(3512)

5020 TACONITE RECEIPTS = -(4052)-(4062) =

5021 TOTAL DEBT SERVICE FUND REVENUE = (5017) +(5018)+(5019)+(5020)103,497,294.42

OPEB/PENSION DEBT SERVICE FUND

5022 OPEB/PENSION DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT =(3010)+ (3041)+(3513)+(4060)=

5023 OPEB/PENSION DEBT SERVICE OTHER JOBZ NONEXEMPT=(3011)+ (3042)+(3514)+(4050)=

OPEB/PENS DEBT SERV FUND (CONT)

5024 TOTAL OPEB/PENSION DEBT SERVICE FUND LEVY LIMITATION = (5022)+(5023) =

5025 MAX EFFORT LOAN AID USED = -(3513)-(3514) =

5026 TACONITE RECEIPTS = -(4050)-(4060) =

5027 TOTAL OPEB/PENSION DEBT SERVICE FUND REVENUE =(5024)+(5025)+(5026)

TOTAL, ALL FUNDS

5028 TOTAL LEVY LIMIT = (5005)+(5010) + (5017)+(5024) = 243,820,148.80

5029 TOTAL AID = (5006)+(5011) + (5018) = 348,728,745.45

5030 TOTAL MAX EFFORT AID USED = (5007)+(5012) + (5019)+(5025) =

5031 TOTAL TACONITE RECEIPTS = (5008)+(5013) + (5020)+(5026) =

5032 TOTAL REVENUE = (5009)+(5014) + (5021)+(5027) = 592,548,894.25

I. COMPUTATION OF 2022 PAYABLE 2023 LEVY LIMITATION BY FUND (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	INITIAL LEVY LIMITATION	LIMITATION ADJUSTMENTS	ABATEMENT ADJUSTMENTS	OFFSET ADJUSTMENTS	TAC/MAX EFF ADJUSTMENT	MAXIMUM LEVY LIMITATION
GEN-RMV VOTER-EXEMP	64,893,413.90	5,096,923.02	N/A			69,990,336.92
GEN-RMV OTHER-EXEMP	28,235,429.01	632,132.01-	N/A			27,603,297.00
GEN-NTC VOTER-EXEMP	15,849,328.64		N/A			15,849,328.64
GEN-NTC OTHER-GENED	N/A	N/A	N/A	N/A	N/A	N/A
GEN-NTC OTHER-EXEMP	30,550,448.44	871,992.32	982,846.83			32,405,287.59
TOTAL GENERAL	139,528,619.99	5,336,783.33	982,846.83			145,848,250.15
COM SERV-EXEMP	5,448,981.70	1,581.64-	27,204.17			5,474,604.23
DEBT-VOTER-NONEXEMP						
DEBT-OTHER-NONEXEMP	91,887,958.56		609,335.86			92,497,294.42
TOTAL DEBT SERV	91,887,958.56		609,335.86			92,497,294.42
OPEB-VOTER-NONEXEMP						
OPEB-OTHER-NONEXEMP		2,391,440.55-		2,391,440.55		
TOTAL OPEB/PENSION		2,391,440.55-		2,391,440.55		
TOTAL	236,865,560.25	2,943,761.14	1,619,386.86	2,391,440.55		243,820,148.80

II. COMPARISON OF 2021 PAYABLE 2022 LEVY LIMITATION WITH 2022 PAYABLE 2023 LEVY LIMITATION (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	2021 PAY 2022 LIMITATION	2022 PAY 2023 LIMITATION	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	136,999,973.39	145,848,250.15	8,848,276.76	6.46
COMMUNITY SERVICE	5,541,221.76	5,474,604.23	66,617.53-	1.20-
GENERAL DEBT SERVICE	91,134,709.62	92,497,294.42	1,362,584.80	1.50
OPEB DEBT SERVICE				
TOTAL	233,675,904.77	243,820,148.80	10,144,244.03	4.34

III. COMPARISON OF 2021 PAYABLE 2022 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS WITH
2022 PAYABLE 2023 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS:

FUND	2021 PAY 2022 CERTIFIED LEVY + ADJUSTMENTS	2022 PAY 2023 CERTIFIED LEVY + ADJUSTMENTS	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	136,999,973.39			
COMMUNITY SERVICE	5,541,221.76			
GENERAL DEBT SERVICE	91,134,709.62			
OPEB DEBT SERVICE				
TOTAL AFTER ADJUSTMENTS	233,675,904.77			

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
	SUBTOTALS BY LEVY CATEGORY						
(5001)	GENERAL-RMV VOTER-JOBZ EXEMPT	61,024,193.70	61,024,193.70	69,990,336.92	69,990,336.92		
(5002)	GENERAL-RMV OTHER-JOBZ EXEMPT	28,285,848.89	28,285,848.89	27,603,297.00	27,603,297.00		
(5003)	GENERAL-NTC VOTER-JOBZ EXEMPT	15,677,757.00	15,677,757.00	15,849,328.64	15,849,328.64		
(5004)	GENERAL-NTC OTHER-JOBZ EXEMPT	32,012,173.80	32,012,173.80	32,405,287.59	32,405,287.59		
(5010)	COMMUNITY SERV-NTC OTHER-EXEMPT	5,541,221.76	5,541,221.76	5,474,604.23	5,310,429.33		
(5015)	GENL DEBT-NTC VOTER-NONEXEMPT						*1
(5016)	GENL DEBT-NTC OTHER-NONEXEMPT	91,134,709.62	91,134,709.62	92,497,294.42	92,971,451.36		*1
(5022)	OPEB DEBT-NTC VOTER-NONEXEMPT						
(5023)	OPEB DEBT-NTC OTHER-NONEXEMPT						
	SUBTOTALS BY FUND						
(5005)	GENERAL FUND	136,999,973.39	136,999,973.39	145,848,250.15	145,848,250.15		
(5010)	COMMUNITY SERVICES FUND	5,541,221.76	5,541,221.76	5,474,604.23	5,310,429.33		
(5017)	GENERAL DEBT SERVICE FUND	91,134,709.62	91,134,709.62	92,497,294.42	92,971,451.36		
(5024)	OPEB/PENSION DEBT SERVICE FUND						
	SUBTOTALS BY TAX BASE						
	REFERENDUM MARKET VALUE	89,310,042.59	89,310,042.59	97,593,633.92	97,593,633.92		
	NET TAX CAPACITY	144,365,862.18	144,365,862.18	146,226,514.88	146,536,496.92		
	SUBTOTALS BY TRUTH IN TAXATION CATEGORY						
	VOTER APPROVED	76,701,950.70	76,701,950.70	85,839,665.56	85,839,665.56		
	OTHER	156,973,954.07	156,973,954.07	157,980,483.24	158,290,465.28		
	TOTAL LEVY						
	TOTAL LEVY	233,675,904.77	233,675,904.77	243,820,148.80	244,130,130.84		
	ALLOWABLE INCREASE						
	ALLOWABLE INCREASE AMOUNT				309,982.04-		
	MAXIMUM ALLOWABLE CERTIFIED LEVY				243,820,148.80		

FOOTNOTES:
*1 SCHOOL BUILDING BOND AGRICULTURAL CREDIT WILL BE CALCULATED USING THE GENERAL DEBT SERVICE LEVY CATEGORIES

NOTE TO SCHOOL DISTRICTS: MUST CERTIFY PROPOSED AND FINAL LEVIES VIA THE WEB-BASED LEVY CERTIFICATION SYSTEM AVAILABLE ON THE MDE WEBSITE, HTTP://EDUCATION.STATE.MN.US.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
GENERAL REFER MARKET VALUE VOTER APPROVED JOBZ EXEMPT:							
(310)	1ST TIER RMV REFER	14,230,192.00	14,230,192.00	13,519,400.00	13,519,400.00		*2
(311)	2ND TIER RMV REFER	29,566,317.40	29,566,317.40	28,089,492.50	28,089,492.50		*2
(312)	UNEQUALIZED RMV REFER	17,134,388.58	17,134,388.58	23,284,521.40	23,284,521.40		
(1032)	FY 2023 1ST TIER REF ADJUST	106,904.00	106,904.00	85,284.00	85,284.00		*2
(1040)	FY 2023 2ND TIER REF ADJUST	1,562,623.65	1,562,623.65	177,196.05	177,196.05		*2
(1048)	FY 2023 UNEQUAL REF ADJUST	555,254.66-	555,254.66-	5,927,843.26	5,927,843.26		
(1054)	FY 2023 TBRA ALLOC ADJUST						*2
(1063)	FY 2023 REF HOLD HARMLESS ADJ						
(1140)	FY 2021 1ST TIER REF ADJUST	71,114.16	71,114.16	269,946.40-	269,946.40-		
(1147)	FY 2021 2ND TIER REF ADJUST	136,288.80-	136,288.80-	517,446.17-	517,446.17-		
	FY 2021 3RD TIER REF ADJUST	251,689.86-	251,689.86-	N/A	N/A	N/A	
(1154)	FY 2021 UNEQUAL REF ADJUST	704,112.77-	704,112.77-	306,007.72-	306,007.72-		
(1160)	FY 2021 TBRA ALLOC ADJUST						
(1172)	FY 2021 REF HOLD HARMLESS ADJ						
(1369)	OTHER RMV REF ADJUST (MEMO)						
(3026)	RMV REF NET OFFSET ADJUST						
(4056)	REFERENDUM TACONITE ADJUST						
(5001)	TOTAL GENERAL - RMV VOTER APPROVED JOBZ EXEMPT	61,024,193.70	61,024,193.70	69,990,336.92	69,990,336.92		
GENERAL REFER MARKET VALUE OTHER JOBZ EXEMPT:							
(307)	1ST TIER LOCAL OPTIONAL	9,268,672.21	9,268,672.21	8,805,112.21	8,805,112.21	8,805,112.21	*3
(237)	2ND TIER LOCAL OPTIONAL	13,116,524.80	13,116,524.80	12,461,360.00	12,461,360.00	12,461,360.00	*3
(240)	EQUITY	1,546,760.00	1,546,760.00	1,469,500.00	1,469,500.00		*3
(242)	TRANSITION	5,788,594.62	5,788,594.62	5,499,456.80	5,499,456.80		*3
(1012)	FY 2023 LOR TIER 1 ADJUST	536,160.00-	536,160.00-	55,620.00	55,620.00		*3
(1016)	FY 2023 LOR TIER 2 ADJUST	757,772.80-	757,772.80-	78,609.60	78,609.60		*3
(1020)	FY 2023 EQUITY ADJUST	11,620.00	11,620.00	9,270.00	9,270.00		*3
(1024)	FY 2023 TRANSITION ADJUST	43,486.70	43,486.70	34,692.05	34,692.05		*3
(1056)	FY 2023 LOR TIER 1 TBRA ADJUST						*2
(1065)	FY 2023 LOR TIER 1 HOLD HARM AD						
(1112)	FY 2021 LOR TIER 1 ADJUST	125,622.72-	125,622.72-	422,352.00-	422,352.00-	422,352.00-	
(1119)	FY 2021 LOR TIER 2 ADJUST	N/A	N/A	248,820.16-		248,820.16-	
(1126)	FY 2021 EQUITY ADJUST	14,814.00-	14,814.00-	29,342.00-	29,342.00-		
(1133)	FY 2021 TRANSITION ADJUST	55,439.92-	55,439.92-	109,809.50-	109,809.50-		
	FY 2021 TIER 1 BRD-APPR REF ADJ			N/A	N/A	N/A	
(1166)	FY 2021 LOR TIER 1 TBRA ADJUST	N/A	N/A				
(1178)	FY 2021 LOR TIER 1 HOLD HARMLES	N/A	N/A				
(1374)	OTHER ADJ, GEN OTHER RMV						
(3027)	GENERAL OTH RMV NET OFFSET ADJ						
(4054)	GENERAL OTH RMV TACONITE ADJUST						
(5002)	TOTAL GENERAL - RMV OTHER JOBZ EXEMPT	28,285,848.89	28,285,848.89	27,603,297.00	27,603,297.00		

FOOTNOTES:
*2 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN CORRESPONDING REFERENDUM EQUALIZATION AID (PRIOR TO TAX BASE REPLACEMENT AID AND REFERENDUM HOLD HARMLESS).
*3 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN CORRESPONDING GENERAL EDUCATION AID.
FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY NOTES
GENERAL NET TAX CAPACITY VOTER APPROVED JOBZ EXEMPT:						
(502)	CAPITAL PROJECT REFERENDUM	15,677,757.00	15,677,757.00	15,849,328.64	15,849,328.64	
(1377)	OTHER NTC VOTER ADJ					
(3028)	NTC VOTER NET OFFSET ADJ					
(3515)	NTC VOTER MAX EFFORT ADJ					
(4058)	CAPITAL PROJ TACONITE ADJ					
(5003)	TOTAL GENERAL - NTC VOTER APPROVED JOBZ EXEMPT	15,677,757.00	15,677,757.00	15,849,328.64	15,849,328.64	

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
	GENERAL NET TAX CAPACITY OTHER JOBZ EXEMPT:						
	INITIAL LEVIES:						
(231)	OPERATING CAPITAL	7,205,931.23	7,205,931.23	6,845,541.24	6,845,541.24		*3
(333)	ALT TEACHER COMP (Q COMP)	3,009,690.86	3,009,690.86	2,662,288.32	2,662,288.32		*4
(356)	ACHIEVEMENT & INTEGRATION	4,077,681.41	4,077,681.41	3,921,587.50	3,921,587.50		*5
(360)	FY 2023 REEMPLOYMENT INS						
(362)	SAFE SCHOOLS	1,113,667.20	1,113,667.20	1,058,040.00	1,058,040.00		
(365)	SAFE SCHOOLS INTERMEDIATE						
(368)	JUDGMENT						*6
(370)	ICE ARENA						
(382)	FY 2023 CAREER TECHNICAL	845,790.62	845,790.62	946,630.01	946,630.01		
(386)	FY 2022 ANNUAL OTHER POST-EMPLOYMENT BENEFITS (OPEB)	2,953,971.62	2,953,971.62	3,816,906.00	3,816,906.00		
(444)	LT FACILITIES EQUAL						*4
(445)	LT FACILITIES UNEQUAL	3,445,824.00	3,445,824.00	3,549,199.00	3,549,199.00		
(455)	DISABLED ACCESS						
(499)	BUILDING/LAND LEASE	432,902.22	432,902.22	661,856.37	661,856.37		
(500)	COOP BUILDING REPAIR						
(501)	OTHER CAPITAL (MEMO)						
(504)	CONSOL/TRANSITION						
(505)	REORG OPERATING DEBT						
(506)	FY 2023 HEALTH BENEFITS						
(507)	ADDITIONAL RETIREMENT	7,088,400.00	7,088,400.00	7,088,400.00	7,088,400.00		
(508)	SEVERANCE						
(509)	ADMINISTRATIVE DISTRICT						
(510)	SWIMMING POOL						
(511)	TREE GROWTH						
(512)	CONSOL/RETIREMENT						
(513)	ECON DEV ABATEMENT						
(514)	OTHER GENERAL (MEMO)						
(5005A)	SUBTOTAL - INITIAL LEVIES - GENERAL NTC OTHER JOBZ EXEMPT	30,173,859.16	30,173,859.16	30,550,448.44	30,550,448.44		

FOOTNOTES:
*3 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN CORRESPONDING GENERAL EDUCATION AID.
*4 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN EQUALIZATION AID.
*5 70% OF INTEGRATION REVENUE IS PROVIDED BY STATE AID. DISTRICT MUST PROVIDE 30% OF INTEGRATION REVENUE EITHER THROUGH THIS LEVY OR THROUGH OTHER DISTRICT FUNDS.
*6 WITH COMMISSIONER APPROVAL, DISTRICTS MAY SPREAD THIS LEVY OVER UP TO THREE YEARS.

FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
	GENERAL NET TAX CAPACITY OTHER JOBZ EXEMPT (CON'T):						
	LEVY ADJUSTMENTS:						
(1004)	FY 2023 OPER CAPITAL ADJUST	298,542.29	298,542.29	42,268.71	42,268.71		*3
(1105)	FY 2021 OPER CAPITAL ADJUST	224,206.30	224,206.30	11,975.50	11,975.50		
(1076)	FY 2023 ALT TEACHER COMP ADJUST	242,995.54-	242,995.54-	156,211.22-	156,211.22-		*7
(1207)	FY 2021 ALT TEACHER COMP ADJUST	2,043.93	2,043.93	12,090.21-	12,090.21-		
(1069)	FY 2023 ACHIEVE & INTEG ADJUST	83,716.71-	83,716.71-	208,805.97-	208,805.97-		*5
(1185)	FY 2021 ACHIEVE & INTEG ADJUST	904,403.19-	904,403.19-	429,387.54-	429,387.54-		*5
(1190)	FY 2021 REEMPLOYMENT ADJUST	1,116,021.92	1,116,021.92	1,698,623.39	1,698,623.39		
(1195)	FY 2021 SAFE SCHOOLS ADJUST	62,808.84-	62,808.84-	50,682.24-	50,682.24-		
(1200)	FY 2021 SAFE SCHOOLS INTERM ADJ						
(1233)	FY 2021 CAREER TECHNICAL ADJUST	1,602.91-	1,602.91-	12,030.37-	12,030.37-		
(1237)	FY 2021 HEALTH BENEFITS ADJUST						
(1243)	FY 2021 ANNUAL OPEB ADJUST						
(1080)	FY 2023 LTFM EQUAL ADJUST						
(1084)	FY 2023 LTFM UNEQUAL ADJUST						
(1091)	FY 2022 LTFM EQUAL ADJUST						
(1098)	FY 2022 LTFM UNEQUAL ADJUST	1.00-	1.00-				
(1218)	FY 2021 LTFM EQUAL ADJUST						
(1229)	FY 2021 LTFM UNEQUAL ADJUST	185.45	185.45				
(5005B)	SUBTOTAL - ADJUSTMENTS-THIS PAGE GENERAL NTC OTHER JOBZ EXEMPT	345,471.70	345,471.70	883,660.05	883,660.05		

FOOTNOTES:

*3 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN CORRESPONDING GENERAL EDUCATION AID.

*5 70% OF INTEGRATION REVENUE IS PROVIDED BY STATE AID. DISTRICT MUST PROVIDE 30% OF INTEGRATION REVENUE EITHER THROUGH THIS LEVY OR THROUGH OTHER DISTRICT FUNDS.

*7 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN ALTERNATIVE COMPENSATION EQUALIZATION

FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
	GENERAL NET TAX CAPACITY OTHER JOBZ EXEMPT (CON'T):						
	LEVY ADJUSTMENTS:						
(1362)	PAY 20 LEASE ADJUST	1,353.25-	1,353.25-	3,503.40	3,503.40		
(1363)	LEASE LEVY ADJ (MEMO)						
(1364)	OTHER CAPITAL ADJUST (MEMO)						
(760)	FY 2024 FAC & EQUIP BOND ADJUST						
(1366)	ECON DEV ABATE ADJUST						
(1367)	DEBT SURPLUS ADJUST						
(1382)	OTHER GENERAL ADJUST	565,328.16	565,328.16	15,171.13-	15,171.13-		
(2039)	ABATEMENT ADJUSTMENT	633,301.54	633,301.54	1,040,014.13	1,040,014.13		*10
(2052)	CARRY-OVER ABATEMENT ADJUST						*11
(2070)	ADVANCE ABATEMENT ADJUST	295,566.49	295,566.49	57,167.30-	57,167.30-		*12
(3029)	GENERAL OTH NTC NET OFFSET ADJ						
(3516)	GEN OTH NTC MAX EFFORT ADJ						
(4048)	GENERAL OTH NTC TACONITE ADJUST						
(5005C)	SUBTOTAL - ADJUSTMENTS- THIS PAGE GENERAL NTC OTHER JOBZ EXEMPT	1,492,842.94	1,492,842.94	971,179.10	971,179.10		
(5005A)	SUBTOTAL - INITIAL LEVIES- PAGE 35 GENERAL NTC OTHER JOBZ EXEMPT	30,173,859.16	30,173,859.16	30,550,448.44	30,550,448.44		
(5005B)	SUBTOTAL - ADJUSTMENTS- PAGE 36 GENERAL NTC OTHER JOBZ EXEMPT	345,471.70	345,471.70	883,660.05	883,660.05		
(5004)	TOTAL GENERAL - NTC OTHER JOBZ EXEMPT	32,012,173.80	32,012,173.80	32,405,287.59	32,405,287.59		

FOOTNOTES:
*10 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT. DISTRICTS MAY SPREAD THI COMPONENT OVER A PERIOD OF TWO YEARS (UP TO THREE YEARS ON REQUEST).
*11 PAY 2024 LEVY LIMITATION WILL NOT BE INCREASED BY ANY UNDERLEVY IN THIS COMPONENT UNLESS EXTENSION IS REQUESTED.
*12 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT.
FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
	COMMUNITY SERVICE JOBZ EXEMPT:						
(610)	BASIC COMMUNITY EDUC	2,959,398.60	2,959,398.60	2,959,398.60	2,959,398.60		*13
(620)	EARLY CHILD FAMILY	1,806,476.14	1,806,476.14	1,889,123.10	1,889,123.10		*14
(625)	HOME VISITING	81,516.00	81,516.00	80,460.00	80,460.00		
(627)	ADULTS W/ DISABILITIES	30,000.00	30,000.00	30,000.00	30,000.00		
(631)	SCHOOL-AGE CARE	490,000.00	490,000.00	490,000.00	490,000.00		*14
(633)	OTHER COMM ED (MEMO)						
(1403)	FY 2023 EARLY CHILD FAMILY ADJ	11,386.20	11,386.20	381.64-	381.64-		
(1407)	FY 2021 HOME VISITING ADJUST	4,761.36	4,761.36	1,200.00-	1,200.00-		
(1411)	FY 2021 SCHOOL-AGE CARE ADJUST	128,394.84	128,394.84	164,174.90-	164,174.90-		
(1412)	ADULTS W/ DISABILITIES ADJUST						
(1415)	OTHER ADJUST (MEMO)			164,174.90			
(2040)	ABATEMENT ADJUSTMENT	20,510.51	20,510.51	28,382.84	28,382.84		*10
(2053)	CARRY-OVER ABATEMENT ADJUST						*11
(2071)	ADVANCE ABATEMENT ADJUST	8,778.11	8,778.11	1,178.67-	1,178.67-		*12
(3030)	COM SERV NET OFFSET ADJUST						
(3517)	COM SERV MAX EFFORT ADJUST						
(4046)	COM SERV TACONITE ADJUST						
(5010)	TOTAL COMMUNITY SERVICE JOBZ EXEMPT	5,541,221.76	5,541,221.76	5,474,604.23	5,310,429.33		

FOOTNOTES:
*10 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT. DISTRICTS MAY SPREAD THI COMPONENT OVER A PERIOD OF TWO YEARS (UP TO THREE YEARS ON REQUEST).
*11 PAY 2024 LEVY LIMITATION WILL NOT BE INCREASED BY ANY UNDERLEVY IN THIS COMPONENT UNLESS EXTENSION IS REQUESTED.
*12 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT.
*13 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN CORRESPONDING STATE AID.
*14 DISTRICT UNDERLEVY IN THIS COMPONENT WILL RESULT IN PROPORTIONATE REDUCTION IN CORRESPONDING STATE AID. DISTRICT MUST PROVIDE A COMMUNITY EDUCATION PROGRAM TO QUALIFY FOR THIS LEVY.
FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
	DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT:						
(808)	DEBT SERVICE-AID ELIG						*15
(810)	DEBT SERVICE-AID INELIG						*15
(780)	NATURAL DISASTER DEBT						*15
(1701)	REDUCTION FOR DEBT EXCESS						
(1702)	OTHER ADJUST (MEMO)						
(2041)	ABATEMENT ADJUSTMENT						*10,16
(2054)	CARRY OVER ABATEMENT						*11,16
(2072)	ADVANCE ABATE ADJUST						*12,16
(3035)	GDS VTR NET OFFSET ADJUST						
(3511)	GDS VTR MAX EFFORT ADJ						
(4062)	GDS VTR TACONITE ADJUST						
(5015)	TOTAL DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT						*1
	DEBT SERVICE OTHER JOBZ NONEXEMPT:						
(809)	DEBT SERVICE-AID ELIG	45,272,151.00	45,272,151.00	44,444,645.89	44,444,645.89		*15
(811)	DEBT SERVICE-AID INELIG	26,465,220.00	26,465,220.00	23,869,593.06	24,343,750.00		*15
(771)	LT FACILITIES DEBT SERVICE	21,407,590.50	21,407,590.50	23,573,719.61	23,573,719.61		*15
(1710)	FY 2023 LTFM DEBT SERV ADJ						
(1717)	FY 2022 LTFM DEBT SERV ADJ						
(1728)	FY 2021 LTFM DEBT SERV ADJ						
(1704)	REDUCTION FOR DEBT EXCESS	2,540,103.06-	2,540,103.06-				
(1705)	OTHER ADJUST (MEMO)						
(2041)	ABATEMENT ADJUSTMENT	416,527.33	416,527.33	616,717.88	616,717.88		*10,16
(2054)	CARRY OVER ABATEMENT						*11,16
(2072)	ADVANCE ABATE ADJUST	113,323.85	113,323.85	7,382.02-	7,382.02-		*12,16
(3036)	GDS OTH NET OFFSET ADJUST						
(3512)	GDS OTH MAX EFFORT ADJ						
(4052)	GDS OTH TACONITE ADJUST						
(5016)	TOTAL DEBT SERVICE OTHER JOBZ NONEXEMPT	91,134,709.62	91,134,709.62	92,497,294.42	92,971,451.36		*1

FOOTNOTES:
*1 SCHOOL BUILDING BOND AGRICULTURAL CREDIT WILL BE CALCULATED USING THE GENERAL DEBT SERVICE LEVY CATEGORIES
*10 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT. DISTRICTS MAY SPREAD THI COMPONENT OVER A PERIOD OF TWO YEARS (UP TO THREE YEARS ON REQUEST).
*11 PAY 2024 LEVY LIMITATION WILL NOT BE INCREASED BY ANY UNDERLEVY IN THIS COMPONENT UNLESS EXTENSION IS REQUESTED.
*12 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT.
*15 DISTRICT MUST LEVY THE MAXIMUM AMOUNT FOR THIS LEVY COMPONENT.
*16 ABATEMENT ADJUSTMENTS SHOWN ON LINES 2041, 2054 AND 2072 APPEAR AS VOTER APPROVED DEBT SERVICE IF VOTER APPROVED INITIAL DEBT SERVICE LEVY ON LINE 812 IS GREATER THAN ZERO. OTHERWISE ABATEMENT ADJUSTMENTS APPEAR AS OTHER DEBT SERVICE.

FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

LINE #	LIMITATION COMPONENTS	2021 PAY 2022 LIMITATION	2021 PAY 2022 CERTIFIED LEVY	2022 PAY 2023 LIMITATION	2022 PAY 2023 PROPOSED LEVY	2022 PAY 2023 CERTIFIED LEVY	NOTES
OPEB/PENSION DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT:							
(903)	REQ DEBT SERVICE LEVY FOR OPEB/PENSION BONDS						*15
(1900)	REDUCTION FOR DEBT EXCESS						
(1901)	OTHER ADJUST (MEMO)						
(2042)	ABATEMENT ADJUSTMENT						*10,17
(2055)	CARRY OVER ABATEMENT						*11,17
(2073)	ADVANCE ABATE ADJUST						*12,17
(3041)	OPEB DEBT VTR NET OFFSET ADJUST						
(3513)	OPEB VTR MAX EFFORT ADJ						
(4060)	OPEB/PENSION DEBT TACONITE ADJUST						
(5022)	TOTAL OPEB/PENSION DEBT SERVICE VOTER APPROVED JOBZ NONEXEMPT						
OPEB/PENSION DEBT SERVICE OTHER JOBZ NONEXEMPT:							
(908)	REQ DEBT SERVICE LEVY FOR OPEB/PENSION BONDS						*15
(1903)	REDUCTION FOR DEBT EXCESS	228,643.03-	228,643.03-	2,391,440.55-	2,391,440.55-		
(1904)	OTHER ADJUST (MEMO)						
(2042)	ABATEMENT ADJUSTMENT						*10,17
(2055)	CARRY OVER ABATEMENT						*11,17
(2073)	ADVANCE ABATE ADJUST						*12,17
(3042)	OPEB DEBT OTH NET OFFSET ADJUST	228,643.03	228,643.03	2,391,440.55	2,391,440.55		
(3514)	OPEB OTH MAX EFFORT ADJ						
(4050)	OPEB/PENSION DEBT TACONITE ADJUST						
(5023)	TOTAL OPEB/PENSION DEBT SERVICE OTHER JOBZ NONEXEMPT						

FOOTNOTES:
*10 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT. DISTRICTS MAY SPREAD THI COMPONENT OVER A PERIOD OF TWO YEARS (UP TO THREE YEARS ON REQUEST).
*11 PAY 2024 LEVY LIMITATION WILL NOT BE INCREASED BY ANY UNDERLEVY IN THIS COMPONENT UNLESS EXTENSION IS REQUESTED.
*12 PAY 2024 LEVY LIMITATION WILL BE INCREASED BY THE AMOUNT OF ANY UNDERLEVY IN THIS COMPONENT.
*15 DISTRICT MUST LEVY THE MAXIMUM AMOUNT FOR THIS LEVY COMPONENT.
*17 ABATEMENT ADJUSTMENTS SHOWN ON LINES 2042, 2055 AND 2073 APPEAR AS VOTER APPROVED OPEB DEBT SERVICE IF VOTER APPROVED INITIAL OPEB DEBT SERVICE LEVY ON LINE 903 IS GREATER THAN ZERO. OTHERWISE ABATEMENT ADJUSTMENTS APPEAR AS OTHER DEBT SERVICE.

FISCAL YEAR (FY) REFERENCES IN THE LIMITATION COMPONENTS COLUMN RELATE TO PAYABLE 2023. FOR PAYABLE 2022 COLUMNS, THE AMOUNTS SHOWN ARE FOR ONE YEAR PRIOR THE FISCAL YEAR SHOWN.

END OF LEVY LIMITATION AND CERTIFICATION REPORT

Minneapolis Public Schools
Property Tax Levy

Levy Description	2017 pay 2018	2018 pay 2019	% Change	2019 pay 2020	% Change	2020 pay 2021	% Change	2021 pay 2022	% Change	2022 pay 2023	% Change	Difference
Transition Levy	6,798,712	7,092,654	4%	6,473,779	-9%	5,968,125	-8%	5,776,641	-3%	5,424,339	-6.10%	(352,302.05)
Local Optional	15,498,726	16,057,813	4%	25,243,568	57%	23,893,574	-5%	21,091,264	-12%	21,400,702	1.47%	309,437.60
Equity	1,728,192	1,908,830	10%	1,807,414	-5%	1,262,418	-30%	1,417,943	12%	778,256	-45.11%	(639,687.44)
Operating Capital Levy	5,119,193	5,849,059	14%	6,228,057	6%	6,675,137	7%	7,728,680	16%	6,899,785	-10.72%	(828,894.37)
Alt Teacher Compensation	3,483,695	3,348,353	-4%	3,328,107	-1%	3,177,886	-5%	2,768,739	-13%	2,493,987	-9.92%	(274,752.36)
Adjustment - Other (Memo)	(565,124)	(239,563)	-58%	(1,031,824)	331%	(360,695)	-65%	565,328	-257%	(15,171)	-102.68%	(580,499.29)
Abatements & Advanced Abatements	693,864	1,031,627	49%	688,197	-33%	454,948	-34%	928,868	104%	982,847	5.81%	53,978.80
Achievement & Integration Levy	5,844,358	3,924,922	-33%	4,212,192	7%	4,580,003	9%	3,089,562	-33%	3,283,394	6.27%	193,832.48
Reemployment Insurance Levy	600,790	523,353	-13%	561,729	7%	241,032	-57%	1,116,022	363%	1,698,623	52.20%	582,601.47
Leased Space Levy & Adj	686,067	327,232	-52%	140,769	-57%	95,290	-32%	431,549	353%	665,360	54.18%	233,810.80
Long Term Facilities Maintenance	2,750,700	3,228,747	17%	1,327,948	-59%	5,306,399	300%	3,446,008	-35%	3,549,199	2.99%	103,190.55
Safe Schools Levy	1,295,255	1,341,688	4%	1,258,018	-6%	1,193,185	-5%	1,050,858	-12%	1,007,358	-4.14%	(43,500.60)
Judgment Levy	646,550	712,954	10%	-	-100%	391,627		-	-100%	-		-
MPLS TRA & PERA/MERF Levy	7,088,400	7,088,400	0%	7,088,400	0%	7,088,400	0%	7,088,400	0%	7,088,400	0.00%	-
Other Post Employment Benefits	3,194,029	3,336,489	4%	5,523,446	66%	2,548,413	-54%	2,953,972	16%	3,816,906	29.21%	862,934.38
Career Technical	749,398	730,522	-3%	637,865	-13%	648,293	2%	844,188	30%	934,600	10.71%	90,411.93
Referendum - Voter Approved	58,533,685	81,566,517	39%	65,447,803	-20%	59,626,350	-9%	61,024,194	2%	69,990,337	14.69%	8,966,143.22
Referendum - Board Approved	(82,378)	(130,071)	58%	-	-100%	-		-				-
Referendum - Capital Project Levy	-	12,000,000		13,916,463.11	16%	14,849,591.25	7%	15,677,757	6%	15,849,329	1.09%	171,571.64
General Fund Total	**114,064,112**	**149,699,526**	**31%**	**142,851,932**	**-5%**	**137,639,976**	**-3.65%**	**136,999,973**	**-0.46%**	**145,848,250**	**6.46%**	8,848,276.76
												-
Basic Community Education Levy	2,860,923	2,860,923	0%	2,860,923	0%	2,860,923	0%	2,959,399	3%	2,959,399	0.00%	-
Early Childhood Family Levy	1,714,917	1,673,222	-2%	1,840,436	10%	1,780,932	-3%	1,817,862	2%	1,888,741	3.90%	70,879.12
Handicapped Adults Levy	30,000	30,000	0%	30,000	0%	30,000	0%	30,000	0%	30,000	0.00%	-
School-Age Care	536,121	856,797	60%	726,988	-15%	683,025	-6%	618,395	-9%	490,000	-20.76%	(128,394.84)
Home Visiting	73,425	76,679	4%	86,959	13%	84,046	-3%	86,277	3%	79,260	-8.13%	(7,017.36)
Abatement & Advanced Abatements	25,889	44,050	70%	22,727	-48%	14,484	-36%	29,289	102%	27,204	-7.12%	(2,084.45)
Community Service Fund Total	**5,241,275**	**5,541,672**	**6%**	**5,568,034**	**0%**	**5,453,410**	**-2.06%**	**5,541,222**	**1.61%**	**5,474,604**	**-1.20%**	(66,617.53)
												-
General Debt Service Levy	80,750,517	79,062,789	-2%	82,348,704	4%	78,602,411	-5%	91,134,710	16%	92,497,294	1.50%	1,362,584.80
Pension Bond Levy	2,347,663	2,373,525	1%	2,402,317	1%	2,346,188	-2%	-	-100%	-		-
Debt Service Fund Total	**83,098,180**	**81,436,314**	**-2%**	**84,751,020**	**4%**	**80,948,599**	**-4.49%**	**91,134,710**	**12.58%**	**92,497,294**	**1.50%**	1,362,584.80
												-
Total Property Tax Levy	**202,403,566**	**236,677,511**	**17%**	**233,170,987**	**-1%**	**224,041,985**	**-3.92%**	**233,675,905**	**4.30%**	**243,820,149**	**4.34%**	10,144,244.03

Note: % change is calculated from the previous years levy.

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS
PUBLIC SCHOOLS

Resolution No. 2022-0071
December 13, 2022

Resolution Amending the District's 2022-2023 Budget

WHEREAS, the cost of contractor provided transportation services has increased by nearly 50% since last year; and

WHEREAS, a further $16,500,000 is needed to ensure continuity of district transportation services; and

WHEREAS, a combination of declining enrollment and the end of federal free lunch waivers has reduced food service revenue to such an extent that the food service fund will be completely exhausted by year end; and

WHEREAS, upon exhausting the food service fund a $5,000,000 fund transfer from the General Fund will be required to continue service through the end of the year; and

WHEREAS, there is sufficient ESSER III funds available to offset these additional costs; and

WHEREAS, the District's FY23 budget is amended as follows:

	Revenue			Expenses		
	Original	As Previously Amended	As Now Amended	Original	As Previously Amended	As Now Amended
General Operating Fund	491,176,294	484,395,281	484,395,281	509,559,148	511,163,148	511,163,148
General Fund Grants	123,200,000	126,200,000	147,700,000	123,200,000	126,200,000	147,700,000
General Fund Special Revenue	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Food Service Fund	24,895,120	24,895,120	18,800,000	26,595,120	26,595,120	20,500,000
Food Service Grants	115,000	115,000	115,000	115,000	115,000	115,000
Community Service Fund	26,572,419	26,572,419	26,572,419	27,813,801	27,813,801	27,813,801
Comm Service Grants/Special	10,395,600	10,395,600	10,395,600	10,395,600	10,395,600	10,395,600
Capital Projects Fund	64,198,898	76,198,898	76,198,898	130,000,000	142,000,000	142,000,000
Debt Service Fund	91,134,710	91,134,710	91,134,710	91,134,710	91,134,710	91,134,710
Total	**841,688,041**	**849,907,028**	**865,311,908**	**928,813,379**	**945,417,379**	**960,822,259**

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby approves the above mentioned revenue and expenditure amended budget for the fiscal year 2022-2023.

ADOPTED this 13th day of December 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

RECORD OF BOARD VOTE (2022-0071)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson				
El-Amin				
Ali				
Cerrillo				
Inz				
Jourdain				
Booker				
Caprini				
Ellison				

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2022-0060

RESOLUTION AMENDING POLICY 3290

WHEREAS, The Board's Policy Committee has recommended the proposed changes.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors, Special School District No. 1 (Minneapolis Public Schools) adopts the changes as follows:

SECTION 1: **AMENDMENT** "Policy 3290: Debt: Purposes And Limitations" of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 3290: Debt: Purposes And Limitations

1. **PURPOSE**
   In order to provide a fiscally responsible capital cost management system and promote financial stability the district may be required to incur debt. It is incumbent upon the Board of Directors to govern the issue of debt to provide for the needs of the district, to act as reliable stewards of public funds and trust, and to appropriately respond to emergency circumstances that affect the district's finances. The purpose of this policy is to establish under what circumstances debt may be incurred, the type of debt that is appropriate for specific purposes, the appropriate debt load of the district, the repayment schedule for debt and how the Board will respond to emergency financial circumstances.
2. **GENERAL STATEMENT OF POLICY**
   a. Upon approval from the Board of Directors and subject to the limitations below the District may incur debt to accomplish district purposes. Such purposes include financing capital projects, real property acquisitions, operating capital and other debt permitted by law.
   b. The District shall incur debt only in compliance with applicable law.
   c. Total district annual debt payment shall not exceed twenty percent (20%)~~fifteen percent (15%)~~ of the district total operating revenue. Each fiscal year the Board of Directors shall review the financial needs of the district to set an operating target at or less than the twenty~~fifteen~~ percent limit. Refinancing shall not be included in the 20%~~15%~~ calculation.
   d. Each fiscal year the Board of Directors shall approve a debt repayment schedule that provides that seventy percent (70 %) of current debt shall be repaid within ten (10 years).
   e. In response to emergency circumstances the Board of Directors may by

resolution temporarily suspend the approved debt to revenue ratio and the debt repayment schedule. Such a resolution shall specify the terms of such suspension, the temporarily approved debt to revenue ratio if applicable, and the temporarily approved debt repayment schedule if applicable.

f. The District shall avoid using variable rate debt instruments. The Board of Directors may set a limit on the percentage of variable rate debt instruments permissible.
g. The District shall avoid debt instruments that require a balloon repayment or that are back-loaded.
h. The District shall avoid action that could reasonably be expected to negatively affect the District's credit rating.
i. All debt shall be issued through a competitive bidding process.
j. The Superintendent is authorized to seek independent debt counsel. Any contracted debt counsel shall comply with all required disclosure and reporting rules.
k. Instruments of debt may be reissued if doing so will benefit the district.

3. **LONG TERM DEBT**
    a. Long term debt may only be issued for capital projects, acquisitions or other long-term debt permitted by law.
    b. Long term debt shall not be used to capitalize expenses.
    c. Long term debt used for capital projects may not extend past the expected useful life of the project.
    d. Proposals to incur long-term debt must include, at minimum, the following information:
        i. Intended purpose,
        ii. Proposed term,
        iii. Principal cost,
        iv. Estimated interest cost and rate range,
        v. Estimated issuance cost,
        vi. Statutory or other authorization,
        vii. Status of outstanding debt and impact of new issuance.
4. **SHORT TERM DEBT**
    a. Short term debt may be issued to provide operating capital in anticipation of receipt of taxes, Federal or State aid, or the sale of bonds.
    b. Proposals to incur short-term debt must include, at minimum, the following information:
        i. Intended purpose,
        ii. Proposed term,
        iii. Principal cost,
        iv. Estimated interest cost and rate range,
        v. Estimated issuance cost,
        vi. Statutory or other authorization,
        vii. Status of outstanding debt and impact of new issuance.
5. **RESPONSIBILITIES**
    a. The Board of Directors shall annually review the debt portfolio of the district

to assess the impact of district debt on taxpayers, and to determine:

i. that the risk level to the district is appropriate,
ii. that the correct type of debt is used for the stated purposes,
iii. that the correct debt to expense ratio is established and
iv. that the debt repayment schedule is appropriate.

b. The Superintendent shall provide the Board of Directors with such financial reports as are necessary and prudent to inform the Board of district needs, the current status of district debt and supporting information regarding any proposed change in district debt.
c. No less than annually the Superintendent shall provide a report on the debt repayment schedule. The Superintendent shall include a report on debt in the annual budget report.

Original Adoption:
04/25/1967

Revision Dates:
10/09/1973, 02/26/1991, 09/20/2011

Legal References:

- Minn. Stat. §128D.11, Subd. 4 (School District Bonds: 30-year term)
- Minn. Stat. §128D. 16 (Short-Term Borrowing)

MPS Policy Cross References:

- Policy 3005 (Budget)
- Policy 7420 (Bond Indebtedness)

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	**NAY**	**ABSENT**	**ABSTAIN**
Ali	_____	_____	_____	_____
Arneson	_____	_____	_____	_____
Booker	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Cerrillo	_____	_____	_____	_____
El-Amin	_____	_____	_____	_____
Ellison	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____

Presiding Officer

_____
Kim Ellison, Chair, Minneapolis Public Schools

Attest

_____
Nelson Inz, Clerk, Minneapolis Public Schools

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2022-0061

RESOLUTION AMENDING POLICY 6682 AND ADOPTING POLICY 6693

WHEREAS, The Board's Policy Committee has recommended the proposed changes.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors, Special School District No. 1 (Minneapolis Public Schools) adopts the changes as follows:

SECTION 1: **AMENDMENT** "Policy 6682: Emergency Health Care" of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 6682: Emergency Health Care

1. **PURPOSE**
   Continuous and meaningful efforts to prevent incidents that lead to emergency situations are the greatest priority of the district. The purpose~~s~~ of this policy is~~are~~ to provide guidance to school district staff and parents in the event of sudden illness, accidental injury or emergency situations. ~~regarding a student's health and to establish the district policy with regard to Do Not Attempt Resuscitation or Do Not Intubate (DNAR and DNI) orders that families may have established with their individual caregivers.~~ The policy is designed to guide district staff in their responsibilities to render emergency health care until the presence of a first responder relieves them, or until a minor situation is handled satisfactorily. The district recognizes that it serves students with complex health needs and that rules cannot be drawn for all situations in advance.
2. **GENERAL STATEMENT OF POLICY**
   a. Principals or site administrators of individual buildings or facilities shall disseminate emergency procedures to building staff.
   b. School personnel shall act promptly and intelligently in the event of sudden illness or injury. The goals of such actions shall be:
      i. preservation of lives;
      ii. prevention of further or additional injuries to the victim or others; and
      iii. alleviation of pain.
   c. School personnel acting to address sudden illness or injury shall alert or shall cause another to alert, the Building Administrator of the emergency situation. Emergency 911 services will be alerted as soon as possible if necessary under the circumstances of the incident.
   d. School personnel shall act in accordance with the site emergency response plan including notifying members of the Site Emergency Team of any

incidents.

e. Parents of student victims of sudden illness and injury shall be notified as soon as possible.
f. Subsequent treatment of the victim of sudden illness and injury after emergency care has been received is not the responsibility of the district, the school or the district employees responding to the emergency need.
g. Off campus incidents where school staff are in a supervisory position to students shall be generally treated as though the event occurred at school, including a 9-1-1 emergency call as soon as possible, if warranted by the situation.
h. Notwithstanding this district policy, Individualized Education Program (IEP) and Section 504 teams must develop individualized emergency care plans for students when appropriate in accordance with state and federal law.
i. The school and district crisis support teams will be used as needed for student and staff support following an emergency.

3. **DO NOT ATTEMPT RESUSCITATION (DNAR) AND DO NOT INTUBATE (DNI) ORDERS OR REQUESTS.**
   a. Definitions: For the purpose of this policy, the following definitions apply:
      i. "designated hospital" is the hospital selected by the parent, guardian, or medically fragile adult person to be used in case of an emergency. Any medical directive must include the name of the designated hospital, if one has been chosen. In the absence of a choice indicated on the medical directive, the District will refer all emergencies to Hennepin County Medical Center, or to the hospital directed by the first responders who arrive and take charge of the medical care of the ill or injured person.
      ii. "district health care staff" includes those district employees who are licensed health care providers, school nurses, registered nurses, nurse practitioners, licensed practical nurses and health services assistants.
      iii. "DNAR" A DNAR or Do Not Attempt Resuscitation request is a written directive to a physician signed by the parent or guardian of a medically fragile person, or an adult medically fragile person requesting that medical treatment be limited or withheld. It does not apply to emergency first aid procedures that are necessary to promote comfort or care.
      iv. "emergency first aid procedures" refers to those actions taken in the circumstances of an emergency health crisis or accident to provide care or treatment to an ill or injured person before regular medical aid can be obtained.
      v. "medically fragile person" means a person with serious, long-standing or emerging, progressive illness that are often life-threatening.
   b. The primary mission of the District is education. DNAR/DNI orders are medical documents. District education staff shall follow all planned responses to emergency situations until relieved by district health care staff or emergency medical services. Planned responses include restoration of breathing, attempts

~~to stem or stop bleeding, care or action to prevent shock, and physical and emotional comforting. District health care staff shall follow all medical orders including DNAR and DNI orders.~~

c. ~~Parents, Guardians or adult students who present DNAR or DNI orders to District staff shall be directed to the school health office. School health staff will accept the order and place it on file for submission to emergency medical responders.~~
d. ~~The School Nurse shall coordinate an individual health plan (IHP) with an appropriate team for every person for whom a DNAR or DNI order is received. Notice of receipt of a DNAR or DNI order at a school shall be given to the District Nursing Supervisors, and appropriate school staff, including the principal and the affected student's teachers.~~
e. ~~Questions or concerns regarding a DNAR or DNI order shall be referred to the District General Counsel.~~
f. ~~Upon arrival of emergency medical responders, the person's DNAR or DNI order shall be delivered to the responders by the Principal or principal's designee.~~
g. ~~Review of Orders Any DNAR or DNI order received by the school shall be reviewed by the school nurse with the IHP team no less than every eight (8) weeks.~~
h. ~~Rescission of Orders. If the parent, guardian or adult subject wishes to rescind a DNAR or DNI order, the parent, guardian or adult subject must notify the school's licensed school nurse in writing. Notice of receipt of such a rescission shall be given by the school nurse to the District Nursing Supervisors, the Principal and appropriate school staff. The licensed school nurse shall confirm the rescission order in writing to the parent, guardian or adult subject, the subject's medical provider and any designated hospital identified in the original DNAR or DNI order.~~

Original Adoption:
09/25/1973

Revision Dates:
02/23/1976, 11/24/2009, 08/13/2013

Legal References:

- 29 USC §794 et seq. (Rehabilitation Act of 1973, §504)
- 42 USC §§ 12101-12213 (Americans with Disabilities Act)

MPS Policy Cross References:

- Policy 4200 (Personnel Data)
- Policy 5690 (Student Data)
- Policy 6680 (Safety, Security and Emergency Crisis Management)

- Policy 6681 (Accident Prevention and Reporting)
- Policy 6691 (Communicable Diseases Affecting Students)
- Policy 6692 (Student Medication)
- Regulation 6682A: (Staff Responsibilities)
- Regulation 6682B: (DNAR/ DNI Plans)

SECTION 2: **ADOPTION** "Policy 6693: DNR-DNI Orders" of the Minneapolis Public Schools Policies & Regulations is hereby *added* as follows:

A D O P T I O N

Policy 6693: DNR-DNI Orders*(Added)*

1. **PURPOSE**
   The school district recognizes that it is serving students with complex health needs. The school district also recognizes that school district staff may be confronted with requests to withhold emergency care of a student in the event of a life threatening situation at school or school activities or be presented with Do Not Resuscitate/Do Not Intubate (DNR-DNI) orders. The purpose of this policy is to provide guidance to school district staff and parents or guardians in these situations.
2. **GENERAL STATEMENT OF POLICY**
   a. The primary mission of the school district is education. DNR-DNI orders are medical documents. School district staff will not accept or honor requests to withhold emergency care or DNR-DNI orders. The school district will not convey such orders to emergency medical personnel.
   b. School district staff will provide reasonable emergency care and assistance when a student is undergoing a medical emergency during school or school activities.
   c. School district staff will activate emergency medical services (911) as soon as possible when a student is undergoing a medical emergency during school or school activities.
   d. The parent/guardian will be notified of the emergency as soon as possible.
   e. Notwithstanding this school district policy, IEP and Section 504 teams must develop individualized medical emergency care plans for students when appropriate in accordance with state and federal law.
   f. Parents/guardians who request that emergency care be withheld for their child or who present DNR-DNI orders, shall be advised of and shall be given a copy of this policy.

Original Adoption: Legal References:
29 U.S.C. § 794 et seq. (Rehabilitation Act of 1973, § 504)
42 U.S.C. §§ 12101-12213 (Americans with Disabilities Act)

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	**NAY**	**ABSENT**	**ABSTAIN**
Ali	_____	_____	_____	_____
Arneson	_____	_____	_____	_____
Booker	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Cerrillo	_____	_____	_____	_____
El-Amin	_____	_____	_____	_____
Ellison	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____

Presiding Officer

_____
Kim Ellison, Chair, Minneapolis Public Schools

Attest

_____
Nelson Inz, Clerk, Minneapolis Public Schools

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS
PUBLIC SCHOOLS

Resolution No. 2022-0074
December 13, 2022

Resolution Modifying Certain School Start and End Times and Requiring an Update on CTE Programming Implementation

WHEREAS, the board-approved centralized Career and Technical Education (CTE) model created three CTE centers (co-located with Edison, North, and Roosevelt High Schools); and

WHEREAS, a common start time for all comprehensive high schools is necessary for student scheduling and transportation to these centers; and

WHEREAS, high schools were offered the opportunity to recommend a change to their end times provided they met all required instructional minimums and provisions within applicable contractual agreements; and

WHEREAS, to align with this common start time, bell times changes are required at certain schools.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby changes the following start and end times effective for the 2023-2024 school year:

School	New Start Time	New End Time
Edison	8:30am	3:20pm
Henry	8:30am	3:20pm
Heritage	8:30am	3:00pm
North	8:30am	3:00pm
Roosevelt	8:30am	3:20pm
Wellstone	8:30am	3:00pm

FURTHER BE IT RESOLVED, that the superintendent is directed to report to the board by March 2023 on progress of the centralized CTE center model implementation including on the plan and timeline for the delayed capital projects co-located at Edison and Roosevelt High Schools.

ADOPTED this 13th day of December 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

RECORD OF BOARD VOTE (2022-0074)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson				
El-Amin				
Ali				
Cerrillo				
Inz				
Jourdain				
Booker				
Caprini				
Ellison				

High School Bell Times

Senior Officer Dr. Shawn Harris-Berry

MINNEAPOLIS PUBLIC SCHOOLS

Overview of CTE Goals

CTE goals as part of the Comprehensive District Design:

- Centralized CTE programming at schools based on building capacity and enrollment
- Improved centralized sites with state of the art facilities
- Equitable access to all MPS Career Pathway programs via citywide enrollment options
- Graduation requirements for fine arts, math, science and/or language arts are incorporated into CTE pathways to allow students flexibility in engaging in CTE

High school start time recommendation

- **Best case for equitable access** to full spectrum of CTE classes: aligned start- and end-times across MPS
- **Arriving at aligned schedules** will involve school staff this year and next
- **Recommended first step toward goal of aligned bell schedules:** Common start time of 8:30 proposed for all comprehensive high schools
    - Six of 11 comprehensive high schools already have an 8:30 a.m. start time.
    - A common start time means students can access courses from across MPS.

Start times would change at these schools

School	Current Start/End	Start Time Change
Edison	8:15 a.m. - 3:00 p.m.	15 minutes later
Henry	8:05 a.m. - 3:10 p.m.	25 minutes later
Heritage	7:45 a.m. - 2:53 p.m	4.5 instructional day/week sunsets
Roosevelt	8:10 a.m. - 3:00 p.m.	20 minutes later
Wellstone	8:10 a.m. - 3:00 p.m.	20 minutes later

CTE Class Schedule

STUDENT CONTACT DAY: 8:30am -3:00pm (6.5 hours)

CTE Schedule	
CTE Student A.M. Block	**CTE Student P.M. Block**
	8:30-12:25-Start day at High School
Transport to CTE via Metro Transit from student home	**12:25 - 12:55 pm** Transport to CTE via MPS Shuttle
8:30 - 10:30 am A.M. Block	**1:00 - 3:00 pm P.M. Block**
10:35 -11:00 am Transport back to High School via MPS Shuttle	**3:00pm** Transport home or back to school via Metro Transit
11:00 am-End Day at High School	

MINNEAPOLIS PUBLIC SCHOOLS

School Bell Times Considerations

Schools should take the following into consideration with determining their 2023/24 bell schedule:

- Students' ability to access the CTE Centers
- Schools' specialized programming
- Contractual requirements

Summary of Proposed Changes

What?	• Same start times (8:30 a.m.) for all schools • Potential for aligned bell schedule
Why?	• Improved access to centralized CTE programming
When?	• Start with the 2023-24 school year
What's next?	• Board vote in December on start times • Schools determine length of school day, length of periods • Board would vote on any future recommendations to change school end times

Questions

Equity Considerations for Practices

High School Start Time | *December, 2022*

Dr. Shawn Harris-Berry (Senior Leader of Schools) Shawn.Harris-Berry@mpls.k12.mn.us

Dr. Aimee Fearing (Senior Academic Officer) Aimee.Fearing@mpls.k12.mn.us

---

Identify Your Practice Recommendation

Use the space below to identify your practice recommendation/change as either: 1) a new practice, 2) current/existing practice that needs to be modified, or 3) a current/existing practice that is no longer needed.

New Practice

- Common High School Start Time of 8:30am effective SY 23-24

Recommended Practice Change

Provide a brief description below of the practice recommendation/change.

New Practice

If applicable, use the space below to summarize the new practice you recommend. If this is an existing practice with recommended changes needed, skip this question.

Not all MPS High Schools have a common start time. See the table below for documentation of current high school start times. Starting SY23-24, the highlighted schools in red will change start times.

Edison High School	9-12	8:15 a.m. - 3 p.m.
FAIR School for Arts	9-12	8:30 a.m. - 3:15 p.m.
Henry High School	9-12	8:05 a.m. - 3:10 p.m.
Heritage Academy	9-12	7:45 a.m. - 2:53 p.m
Longfellow	9-12	9:40 a.m. - 4:10 p.m.
MPS Online School	K-12	
North High School	9-12	8:30 a.m. - 3:30 p.m.

Roosevelt High School	9-12	8:10 a.m. - 3 p.m.
Roosevelt Spanish Dual Language	9-12	8:10 a.m. - 3:00 p.m.
South All Nations	9-12	8:30 a.m. - 3 p.m.
South High School	9-12	8:30 a.m. - 3 p.m.
Southwest High School	9-12	8:30 a.m. - 3 p.m.
Washburn High School	9-12	8:30 a.m. - 3:00 p.m
Wellstone International High School	9-12	8:10 a.m. - 3 p.m.

Additional Information

Use the space below to share additional information or context about the practice recommendation/change.

As part of the Comprehensive District Design and MPS Strategic Plan, equitable access to academic programming is a priority. The CTE centers as well as college credit course opportunities rely on a better aligned high school schedule so students across the district can access these opportunities. The first step is to start with aligned start times, so all high schools are starting at the same time.

Meaningful Inclusion of Diverse Perspectives on the Practice Recommendation

Describe the ways in which you've worked to ensure that you have meaningfully included diverse perspectives from internal and external stakeholder groups in the planning of the recommended practice recommendation/change.

Explain who you engaged with, how they were engaged, and when these engagements took place. When explaining how you engaged with stakeholders, specify whether you informed (shared information with stakeholders), consulted (shared information with and gathered feedback from stakeholders), or collaborated (partnered with to inform, gather feedback, and co-constructed the practice recommendation).

If you had trouble with engagement, you could also use the space to identify ways you tried to engage stakeholders. You can also describe how you used information gathered in the past to inform your proposal process.

Internal Engagement including staff	***External Engagement including students, families, and community members***
Building Principals	Building Principals have been engaged in 5-6 discussions regarding the change in high school start times during portfolio meetings beginning in March 2022. Principals sought input and advocated for their schools communities.

Identify the Current Problem

Describe what data (including conversations with stakeholders) tells you about possible existing student inequities. Include the evidence in this section, or you may send the EDIA team the data that supports why there is a need for the recommended practice.

In the past, students attending high school sites that have CTE programming had access to CTE but only the programming at their site. For smaller schools that did not have CTE programming on site, the students did not have access to CTE. CTE is funded for city-wide access, and the most recent assessment of CTE programming as part of receiving Perkins Grant cited that MPS needed to improve on city wide access to CTE. Additionally, with the process of improving equitable access to college credit courses, students will have more access to college credit courses across the district if the start times are the same. More access could be available if high schools had aligned, mid-day bell schedules and end time as well.

Describe what the potential root causes or factors are that contributed to the inequity/ies - including factors that are within MPS' locus of control as well as factors that are outside of MPS' locus of control.

Naming what is within or outside of your locus of control informs decision makers about what possible measures may need to be taken, including legislative efforts and/or partnerships to be built to tackle the root causes.

Root Causes or Factors (within MPS' locus of control)	***Root Causes or Factors (outside of MPS' locus of control)***
Despite CTE being centrally funded, sites took ownership of CTE programming as part of their programs, site-specific. This created a difficult situation wherein high school buildings did not see CTE programming as District Wide.	Programs were placed in buildings due to convenience, space and other external factors. The programs were not placed at sites based on program accessibility for district wide.

Equity Considerations if the Practice Recommendation is Approved/Implemented

Identify any related practices and/or core functions that may be impacted by the recommended practice. This could include internal (division and/or department) team structures, staffing, roles, and responsibilities as well as any state or federal level mandates.

Most high schools depend on Metro Transit for high school student transportation. With current staggered start times, there is rarely a confluence of students from various schools on the same bus/train. Having the same start time will cluster students on bus/trains of which Metro Transit may need to increase buses to service the amount of students at one time.

Specify which student groups you anticipate will be positively impacted by the recommended practice, and how.

Group(s) Positively Impacted	***How the Proposed Practice will Positively Impact Them***
Students at small high schools	Currently, the smaller high schools do not have any CTE programming; therefore, these students are required to travel to another school to take part in any CTE programming. Very few if any students are able to participate due to unaligned bell schedules including start and end times.

Students at schools without CTE programming of interest	Currently, students are accessing the CTE programming that is at their school. However, not all students at one particular school desire to participate in the CTE programming offered at their site. Having a common start time will allow students from across the district to access CTE programming, regardless of what is offered at their site, and to start their day in a program of choice, rather than what is offered at their site only.

Furthermore, identify which specific student groups may be negatively impacted by the recommended practice and describe how you plan to mitigate the negative impact and/or harm.

Group(s) Negatively Impacted	***Mitigation Plan***
We do not see or anticipate any negative impacts.	We do not see or anticipate any negative impacts.

Additional Information and Considerations

Use the space below to share any additional information that would be helpful to know.

Special School District Number 1
Board of Education Resolution

MINNEAPOLIS
PUBLIC SCHOOLS

Resolution No. 2022-0073
December 13, 2022

Resolution Adopting the 2023 Legislative Agenda

WHEREAS, the 2022 Legislature failed to provide schools with additional funding despite a record state budget surplus; and

WHEREAS, state funding for special education and English Learner services continues to lag behind districts' costs; and

WHEREAS, the pandemic has exacerbated the undercounting of student and family poverty; and

WHEREAS, state Voluntary Pre-Kindergarten funding will decrease next school year if it is not renewed; and

WHEREAS, students' mental health and social emotional needs have only increased over the past several years; and

WHEREAS, the lack of affordable housing options disproportionately impacts our families of color and American Indian families; and

WHEREAS, recruiting and supporting a diverse cohort of education professionals will provide students with a wide range of perspectives and experiences to prepare them for our diverse world.

WHEREAS, the lack of affordable housing options disproportionately impacts our families of color and American Indian families; and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 (Minneapolis Public Schools) hereby endorses the 2023 Minneapolis Public Schools' Legislative Agenda (2022-0073A) and pledges to support its passage.

ADOPTED this 13th day of December 2022.

Kim Ellison, Chair

Nelson Inz, Clerk

RECORD OF BOARD VOTE (2022-0073)				
DIRECTOR	AYE	NAY	ABSTAIN	ABSENT
Arneson				
El-Amin				
Ali				
Cerrillo				
Inz				
Jourdain				
Booker				
Caprini				
Ellison				

MINNEAPOLIS PUBLIC SCHOOLS

2023 Legislative Agenda

Stable, Predictable Funding

- Tie the general education aid formula to inflation
- Renew Voluntary Pre-Kindergarten funding and expand school-based pre-kindergarten programs so more families have access to all day PreK
- Allow elected school boards to renew existing operating and capital projects levies that have been approved by voters without requiring additional referenda elections

Safe Schools and Communities

- Triple safe schools funding with state aid and an equalized levy
- Support legislation to limit children's access to guns and provide more supports for students at risk of harming themselves or others

Special Education Funding and Policy

- Fully fund special education
- Address the mismatch of open enrollment and special education tuition billing statutes so resident district budgets do not take a disproportionate share of the cost
- Address the rapidly rising cost of special education tuition billing due to some schools' ability to bill back 100% of their costs
- Allow districts to access federal Medical Assistance for social work services

Stable, Healthy Engaged Families

- Support increases in state funding for Full Service Community Schools
- Expand funding for school-linked mental health grants
- Address the underfunding of transportation services for students experiencing homelessless and students in foster care
- Ensure access to safe and affordable housing for students and families

Equitable Access to Proven Programs and Supports

- Increase English Learner funding to close the funding gap
- Expand state support of teacher residency, recruitment and retention programs with a focus on teachers of color, special education, career and technical education, math and ESL/bilingual education
- Transfer district of residence to the serving district after one year for students who open enroll
- Make ethnic studies a state graduation requirement for high school students
- Support athletic directors association's proposal to incentivize athletic directors to seek professional certifications

Visit mpls.k12.mn.us/government_relations for more information

2023 Legislative Agenda

Lobbyist Josh Downham

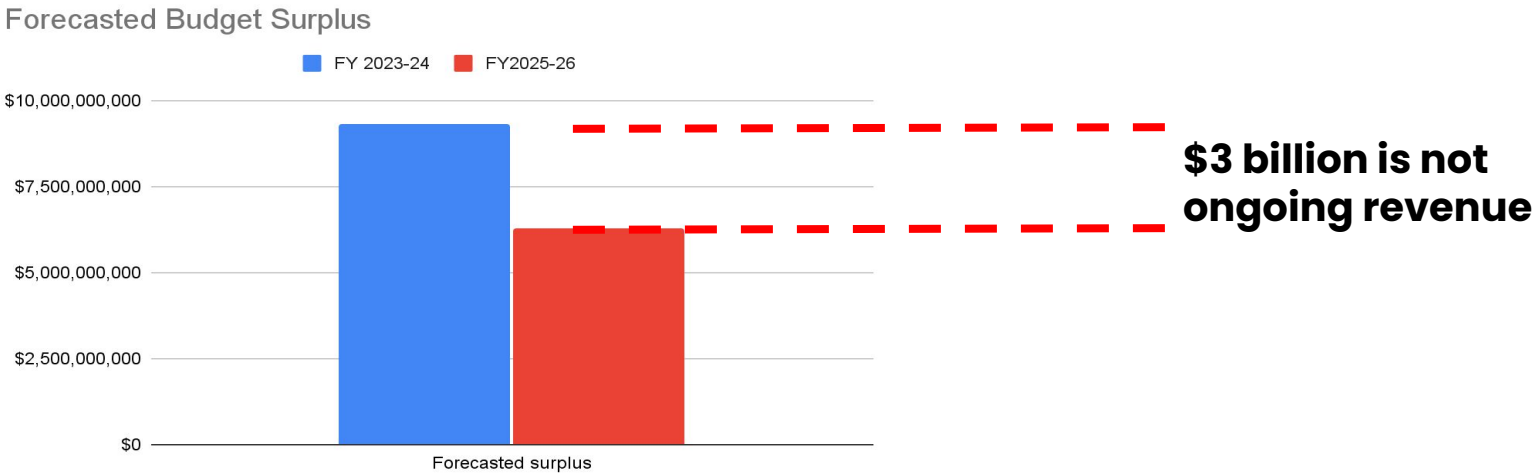
MINNEAPOLIS PUBLIC SCHOOLS

Key Dates and Events

- **November Election** - Governor, State House and State Senate
- **State Budget Forecasts** - Early December and Late February
- **January 3, 2023** - start of the 2023 legislative session
- **May 22, 2023** - Regular legislative session adjourns
- **June 30, 2023** - Fiscal year ends for state and school districts

Ongoing vs One-time Revenue

Not all of the $9.3 billion projected budget surplus for FY 2023-24 is available to spend on costs that obligate the state in future fiscal years. $3 billion may only be used on one-time costs.



MINNEAPOLIS PUBLIC SCHOOLS

Focus Areas

- Stable, Predictable Funding
- Safe Schools and Communities
- Special Education Funding and Policy
- Stable, Healthy Engaged Families
- Equitable Access to Proven Programs and Supports

Stable, Predictable Funding

- Tie the general education aid formula to inflation
- Renew Voluntary Pre-Kindergarten funding and expand school-based pre-kindergarten programs so more families have access to all day PreK
- Allow elected school boards to renew existing operating and capital projects levies that have been approved by voters without requiring additional referenda elections

Safe Schools and Communities

- Triple safe schools funding with state aid and an equalized levy
- Support legislation to limit children's access to guns and provide more supports for students at risk of harming themselves or others

Special Education Funding and Policy

- Fully fund special education
- Address the mismatch of open enrollment and special education tuition billing statutes so resident district budgets do not take a disproportionate share of the cost
- Address the rapidly rising cost of special education tuition billing due to some schools' ability to bill back 100% of their costs
- Allow districts to access federal Medical Assistance for social work services

Stable, Healthy Engaged Families

- Support increases in state funding for Full Service Community Schools
- Expand funding for school-linked mental health grants
- Address the underfunding of transportation services for students experiencing homelessless and students in foster care
- Ensure access to safe and affordable housing for students and families

Equitable Access to Proven Programs and Supports

- Increase English Learner funding to close the funding gap
- Expand state support of teacher residency, recruitment and retention programs with a focus on teachers of color, special education, career and technical education, math and ESL/bilingual education
- Transfer district of residence to the serving district after one year for students who open enroll
- Make ethnic studies a state graduation requirement for high school students
- Support athletic directors association's proposal to incentivize athletic directors to seek professional certifications

Questions