

4.02 *Progress Payments; Retainage*

- A. During the Preliminary Stage the Owner shall make payment within 30 days of the receipt of Design-Builder's invoice for Preliminary Stage services. Owner shall not withhold any portion of such payment as retainage.
- B. During the Completion Stage the Owner shall make progress payments on account of the Completion Stage Price on the basis of Design-Builder's Applications for Payment on or about the 25th day of each month during construction as provided in Paragraphs 4.02.B.1 and 4.02.B.2 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
 - 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:
 - a. 95 percent of the Cost of Work completed (or in the case of a Stipulated Price contract, such percentage of the value of Work completed), with the balance being retainage. If the Work has been 50 percent completed as determined by Owner, and if the character and progress of the Work have been satisfactory to Owner, then as long as the character and progress of the Work remain satisfactory to Owner, there will be no additional retainage; and
 - b. 100 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
 - 2. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Design-Builder to 100 percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 14.01.G of the General Conditions, and less 200 percent of Owner's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.
 - 3. Notwithstanding the provisions above, no retainage shall be withheld with respect to the portion of an Application for Payment pertaining to engineering, design, other professional services, or any Preliminary Stage work.

4.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 14.06 of the General Conditions, Owner shall pay the final amount due.

ARTICLE 5 – INTEREST

5.01 *Interest Rate*

- A. All amounts not paid when due shall bear interest at the rate of 12 percent per annum, or if applicable at the rate stated in a governing prompt payment statute.