

Appendix 37: Contract Review Policy

PURPOSE: The intent of this policy is to protect parishes/institutions by ensuring that liability involved with contracts or agreements is assumed by the proper party and additionally that the Diocese does not agree to any unnecessary indemnification or hold harmless provisions.

DEFINITIONS: For the purpose of this policy, the term, "Contract" is defined as a written agreement between contractor or service provider and the Diocesan entity (parish, school, etc.) which outlines terms of a work, service, and payment. The term "Contractor" is defined as a person or company that provides materials or labor to perform a service or do a job under a written contract or verbal agreement. The term Service Provider (or Service Vendor) is used to denote any business/vendor that is hired to provide a service who may also provide a written contract.

INSTRUCTIONS: The Parish or Diocese legal entities, not trustee corporations, enter into contracts as outlined in this appendix. As such, contracts are made on "Parish/Diocese" letterhead and signed by the pastor for the parish and the bishop (or his delegate) for the Diocese.

TYPES OF CONTRACTS: This section provides an overview of the types of contracts commonly used by a parish/institution.

1. Large Construction Contracts: Large or complex projects, especially those involving new structures, major renovation or remodeling projects or an unusual or dangerous construction procedure (i.e. use of scaffolding or asbestos removal). Contracts, including AIA (American Institute of Architects) or AGC (Associated General Contractors) contracts, must be reviewed by Catholic Mutual and should include performance bond (see Exhibits B and C). Note: Projects requiring these types of contracts may also require Parish Resolutions, approval by Diocese Building Commission, Office of Worship review, and requests for loans from the Parish Expansion Fund.
2. Small Construction Contracts: Should be reviewed by Catholic Mutual risk management office which likely may involve contractor signing Addendums to Service Contract or Small Construction Contract form for agreement of mutual liability (Exhibit E). If no contract exists, a parish/institution may need to use and sign an "Agreement Between Owner and Contractor" (Exhibit A) and also use Exhibit E.
3. Lease Agreements: When a parish/school/institution leases/**subleases** property, facilities or space *to another entity on a long-term basis* or when *leasing from another entity*. These Lease agreements require review by both the Diocese Chancery / Finance Office-Parish Services with legal counsel and Catholic Mutual risk management office. See Exhibit D when leasing to another entity. When leasing from a 3rd. party, the parish/school/institution needs to contact the Diocese Parish Resource Office for additional guidance.

4. Leasing Equipment Contracts: Used for copier or other equipment leasing. These contract/agreements may require a parish resolution and must be reviewed by Catholic Mutual risk management office and may involve providing certificate of insurance to lessor (provided by Catholic Mutual). Lease agreements containing equipment service agreements must also follow service contract requirements.
5. Service Contracts: Typically used with snow removal or lawn maintenance vendors or vendors servicing office or other equipment on your property. These contracts must be reviewed by Catholic Mutual risk management office. The review may require vendor signing Catholic Mutual Group Addendum to Service Contract (Exhibit E) for agreement for overriding language.
6. Other Contract Types: Examples include short-term parish facility use by 3rd. party, or for speaker¹ or musician contracts, etc. These contracts must be reviewed by Catholic Mutual and would involve facility users signing Facility Usage/Indemnity Agreement² or may involve the contract partner signing the Addendum to Contract form for agreement of mutual liability.

1 Speaker agreements follow requirements put forth by the Office of Canonical Services in the "Speaker Policy for the Diocese of Bismarck."

2. For facility usage see Synod Appendix 36

7. Hold Harmless Agreements: individuals utilizing parish premises for activities that are neither parish sponsored nor affiliated, should be providing the parish with a certificate of insurance naming the parish and the Diocese as an additional insured. However, in certain instances when groups or individuals do not have insurance, the Adult Hold Harmless/Indemnity Agreement can be used. This agreement has not been designed to be a replacement for insurance but is developed only for specific situations. Parishes/ institutions believing they need to enter into a Hold Harmless Agreement need to consult the Diocese Parish Resources office for further guidance. Detailed information on facility usage and agreements can be found in Appendix 36.

CONTRACT REVIEW PROCEDURES: The following procedures will be followed by all Diocesan entities:

1. All contracts for \$10,000 or more must be approved by the Bishop through the parish resolution process (see Appendix 29) and be reviewed by Catholic Mutual. The project and related contract(s) may also need to be reviewed by the Building Commission (see also Appendix 26).
2. Agreements with contractors for small construction jobs including, renovations, small additions, etc. for less than \$10,000 should include Exhibit E with the agreement or use Exhibit A to create the agreement and incorporate Exhibit E with the agreement.
3. All long-term (>3 years duration) lease agreements must be reviewed by the Chancery prior to the contract being finalized. The Addendum to Lease should be attached to all long-term lease agreements or the wording should be incorporated into the lease.
4. All contractors and service providers are required to carry the following types of insurance;
 - a. General Liability (contractor should provide proof)
 - b. Workers' Compensation (contractor should provide proof)
 - c. Automobile Liability (based on type of contract-contractor should provide proof)
5. Professional-Service Contracts should be used when contracting for the services of architects and engineers. Contracts need to show that professional liability insurance to be provided to the parish/institution. Professional-Service Contracts must be reviewed even if their compensation is going to be less than \$10,000.00.
6. Regardless of the circumstance or exhibit used, the Parish/Institution **MUST** obtain proof of Liability Insurance from contractors, service providers and those leasing parish/institution facilities. In certain circumstances, the parish/institution and the Diocese must be named as an additional insured on the Lessee's general liability insurance policy (Exhibits B, C, and D). In these circumstances, it is not adequate for a Lessee to simply provide the parish/institution proof of insurance where the parish/institution is named only as "CertificateHolder."
7. Construction contracts of higher value and/or complexity must include a performance bond. Determining a need for a performance bond is made in discussion between the parish/institution and the Diocese Parish Resource Office.
8. All contracts, addendums, and proofs of liability insurance must be maintained in a central file at the location. Certificates of insurance should be monitored to be sure that they are kept up to date through the duration of their agreement.

EXHIBITS: The following exhibits are sample documents provided to assist parishes with properly completing the above processes and need to be edited by parish/institution when used. Based on the descriptions below, parishes/institutions should use the appropriate exhibit that relates to their situation, in order to manage risks related to contracts. Prior to completing agreements/addendums with contractors, the parish/institution needs to consult the Diocesan Parish Resource Office.

1. **EXHIBIT A – AGREEMENT BETWEEN PARISH/INSTITUTION AND CONTRACTOR:** This template is provided as a convenience for use on jobs that involve less than \$10,000.00 and where no agreement is presented by the contractor (e.g. work estimate or proposal is used in leu of a contract). If Exhibit A is used it should also include Exhibit E addendum.
2. **EXHIBIT B – ADDENDUM TO CONSTRUCTION CONTRACT:** Used when a parish/institution enters a construction, renovation, or remodeling contract in excess of \$10,000 with a contractor or architect or when the contractor is performing an unusual or dangerous construction procedure at a parish/institution (i.e. use of scaffolding or asbestos removal). It is important that the parish/institution must still verify that these contractors have liability insurance covering their construction operations at the parish/institution. Other areas of the main contract need to be reviewed on behalf of the parish/institution by a qualified attorney and the Diocesan Building Commission.
3. **EXHIBIT C – AMENDMENTS TO AIA/AGC CONTRACTS:** Used when parishes/institutions enter a contract for a major renovation or remodeling project of parish/institution facilities or for the construction of a new building. These are contracts entered into with the general contractor and/or architect. Exhibit B addendum above should also be attached to these contracts. In most instances, the contract used is a standard contract prepared by the American Institute of Architects (AIA) or Associated General Contractors of America (AGC). From an insurance and indemnification standpoint, all standard documents are written to favor the contractor and/or sub-contractor. Regardless as to which standard contract/document is used, Exhibit C specifies changes required to address insurance and indemnification concerns by the Parish/Institution or Catholic Mutual Group. Exhibit C below allows for changes to be made to various AIA/AGC contracts and it is the responsibility of the parish/institution to obtain the consent of the contractor to make these changes. Please note, the changes are only intended to address insurance and indemnification concerns. Other areas of the main contract should be reviewed on behalf of the parish/institution by a qualified attorney.
4. **EXHIBIT D – ADDENDUM TO LEASE:** Designed to fulfill insurance requirements for both tenants and the parish/institution when parish/institution property is leased to a third party. Therefore, even if a written lease is not used, the Addendum to Lease must still be completed to ensure that insurance requirements have been met. When your parish/institution enters into an agreement with a tenant for leasing parish/institution facilities or property, a written lease must be drafted and sent to the Diocese for legal review. The Addendum to Lease should be attached to the parish/institution written lease agreement (or with the wording of the addendum incorporated into the lease). Examples of situations where the parish/institution should use the Addendum to Lease include:
 - a) The convent is rented as a residence belonging to a religious order.
 - b) Space is rented in the parish hall/school to be used as a non-parish/school operated daycare or learning center.
 - c) Land is being leased to a tenant for farming or pasture.

Note: The Addendum should not be used when the parish/institution leases apartments or flats as private residences.

5. **EXHIBIT E – ADDENDUM TO SERVICE CONTRACT or SMALL CONSTRUCTION**

CONTRACT: Used when organizations are entering into a contract with a service vendor or a small construction project and a written contract or agreement is signed with the contractor/service provider. As many of these contracts are clearly written in favor of the service provider, the parish's/institution's insurance company's rights are restricted to recover damages when the loss or damage was directly caused by the negligence of the service provider. To reduce your exposure to loss or damage caused by a negligent service provider, this Addendum to Service Contract should be attached to contracts or agreements with contractors/service providers performing work at your facilities. The Addendum to Service Contract or Small Construction Contract should be utilized when your organization enters into an agreement or contract in the following situations:

- a) For small contractor jobs that are under \$10,000. It is also important that your organization verify that these contractors/service providers have liability insurance covering their operations. If you use Exhibit A construction contract template also use Exhibit E with that contract.
- b) For maintenance services for fire extinguishers, hood systems, sprinkler systems, elevators, fire alarm systems, security systems, heating/cooling equipment, etc.
- c) With a soda/snack machine vendor that has machines located in your facilities.
- d) For regular maintenance on business equipment such as copy machines, fax machines, computer equipment, etc.
- e) For snow removal or lawn maintenance services.
- f) Any other agreement like those listed above.

***Note:** By attaching Exhibit E to the agreement/contract, you will satisfy needed insurance requirements. If Exhibit E is not attached to the agreement or contract with a contractor/service provider, the wording of the addendum should be incorporated into the contract developed by the parish and the contractor/service provider. It is important to always verify that the contractor/service provider has provided a certificate of insurance showing evidence of general liability coverage. Should a parish/institution have any questions regarding this information or have questions regarding a specific contract or service agreement, please contact Catholic Mutual at 1-800-228-6108.*

AGREEMENT BETWEEN OWNER AND CONTRACTOR
(Exhibit A)

The Church of _____ - _____ (City) Parish, , agrees to pay
Parish/Institution (understood to include the Diocese of Bismarck)

_____, hereafter called the Contractor, the sum of
\$(_____) dollars for the following work:

Description of work

Partial payment requests will be considered based on a maximum of 90% of materials on the job or in place and labor already accomplished.

The work shall be completed by _____ and the Contractor shall provide the following warranties or other documents prior to payment:

Description of warranties

The Contractor shall begin the work within seven (7) days of the date of this contract unless other provisions have been made. He shall carry the work forward expeditiously with adequate, qualified workers and shall achieve substantial completion within the contract time.

Exhibit E – Addendum to Service Contract or Small Construction Contract is included as part of this agreement.

_____ Pastor	_____ Date	_____ Contractor	_____ Date
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ADDENDUM TO CONSTRUCTION CONTRACT
(Exhibit B)

Builder's Risk Insurance: Builder's Risk and Boiler and Machinery Coverage will be obtained by OWNER to cover the project. Any payment under Builder's Risk or Boiler and Machinery Coverages will be made jointly to OWNER and CONTRACTOR. Further, OWNER and CONTRACTOR agree that any payment under Builder's Risk or Boiler and Machinery Coverages will be placed into a joint account until such funds are reinvested in the construction project.

General Liability Insurance: While CONTRACTOR is performing operations at PARISH/ INSTITUTION, CONTRACTOR shall maintain general liability insurance in the amount of not less than two million dollars (\$2,000,000.00) per occurrence. It is further agreed that the CONTRACTOR agrees to protect, defend, indemnify, and hold harmless the PARISH against and from any claim or cause of action arising out of or from any negligence or other actionable fault of the CONTRACTOR, or its employees, agents, members, or officers.

Automobile Liability Insurance: CONTRACTOR shall maintain automobile liability insurance for any owned autos, hired autos or non-owned autos used in connection with the contractor's business. Automobile liability coverage should be maintained by the CONTRACTOR in the minimum amount of two million dollars (\$2,000,000) combined single limit.

Worker's Compensation Insurance: CONTRACTOR shall maintain worker's compensation insurance as required by law.

Additional Insured: CONTRACTOR agrees to provide a certificate of insurance to the PARISH/INSTITUTION which will name the PARISH/INSTITUTION as an additional insured on CONTRACTOR'S liability policy for claims arising out of CONTRACTORS, subcontractors or sub- subcontractors operations or made by CONTRACTORS, subcontractors or sub-subcontractors employees, agents, guests, customers, invitees or subcontractors. CONTRACTOR must verify its liability insurance policy is primary in the event of a covered claim or cause of action against PARISH/INSTITUTION

Subcontractors: CONTRACTOR shall be required to verify that all subcontractors maintain general liability insurance, worker's compensation insurance and automobile liability insurance. Furthermore, CONTRACTOR agrees to indemnify and defend the PARISH/INSTITUTION for any claim or cause of action, whatsoever which was caused by the negligence, or other actionable fault of an uninsured subcontractor.

No Waiver of Subrogation: OWNER does not waive any rights of recovery against the CONTRACTOR, subcontractor or sub-subcontractor for damages. OWNER and CONTRACTOR, subcontractor, and sub- subcontractor do waive the right of recovery against each other for any damages covered under Property, Builder's Risk or Boiler and Machinery coverage for which either party is responsible if that party does not have liability insurance to cover such damages and liability insurance has been maintained as required by this document.

Contract Override and Severability Provision: CONTRACTOR and PARISH agree that this addendum overrides all portions of previous agreements between CONTRACTOR and PARISH that contain language in contradiction with this contract. If any portion of this Addendum to Construction Contract is deemed or is determined to be in conflict with local or state or national statutes, both CONTRACTOR and PARISH agree that the portion of the Addendum to Construction Contract which is in conflict with the statute will be stricken from the Addendum to Construction Contract with the remainder of the Addendum of Construction Contract remaining binding for both parties.

CONTRACTOR:

PARISH/INSTITUTION: *(is understood to include the Diocese of Bismarck)*

The Church of _____ - _____ (City) Parish

BY: _____
Name Date

BY: _____
_____, Pastor Date

START DATE OF CONTRACT (Understood to be dated signed if left blank): _____

ADDENDUM/CHANGES TO AIA or AGC CONTRACTS

(Exhibit C)

Check the box next to the document which is being utilized. Checked boxes will denote the deletion and/or modification of the corresponding AIA or AGC contract as shown below.

Owner and Contractor agree that the deletions and/or changes outlined below will be binding and alter the corresponding AIA or AGC contract that is referenced. Both Owner and Contractor agree the Addendum will supersede any other contractual language.

- ☐ AIA DOCUMENT A201-2007 edition
General Conditions of the Contract for Construction
 - 11.3.1 Add sentence to end “While the interests of all parties are covered, only the Owner will be named as an insured”
 - 11.3.2 Delete second half of last sentence “and the Owner and Contractor shall be named insureds”. Add sentence to end of paragraph “Owner and Contractor agree only the Owner will be an insured on the policy”
 - 11.3.3 & 11.3.5 Add sentence to end of each “This paragraph does not apply to the extent Owner, Contractor, subcontractor, sub-subcontractor, architect, architects consultants, or an agent of any of the above has liability insurance to cover damages sustained by Owner or Contractor.”
 - 11.3.7 Add sentence to end “This paragraph does not apply to the extent Owner, Contractor, subcontractor, sub-subcontractor, architect, architects’ consultants, or an agent of any of the above has liability insurance to cover damages sustained by Owner or Contractor.”
 - 15.1.6 Delete entire paragraph
- ☐ AIA Document A201 – 2017
General Conditions of the Contract for Construction
 - 10.2.5 Delete wording in parenthesis “other than damage or loss insured under property insurance required by the Contract Documents”.
 - 11.1.1 Add sentence to the end “Such insurance shall be endorsed as primary coverage for Owner.”
 - 11.3.1 & 11.3.2 & 11.4 Add sentence to the end “This paragraph does not apply to the extent Owner, Contractor, subcontractor, sub-subcontractor, architect, architects consultants or an agent of any of the above has liability insurance to cover damages sustained by Owner and Contractor.”
 - 15.1.7 Delete entire paragraph
- ☐ AIA Document A101 – 2017
Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum – Insurance and Bonds (Exhibit A)
 - A.2.3.1 Replace last two sentences with “This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project and the interest of Mortgagees as loss payees. While the interests of all parties are covered, only the Owner will be named as an insured.”
- ☐ AIA Document A102 – 2017
Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price – Insurance and Bonds (Exhibit A)
 - A.2.3.1 Replace last two sentences with “This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project and the interest of Mortgagees as loss payees. While the interests of all parties are covered, only the Owner will be named as an insured.”
- ☐ AIA Document A103 – 2017
Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of Work Plus a Fee without a Guaranteed Maximum Price (Exhibit A)
 - A.2.3.1 Replace last two sentences with “This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project and the interest of Mortgagees as loss payees. While the interests of all parties are covered, only the Owner will be named as an insured.”

ADDENDUM/CHANGES TO AIA or AGC CONTRACTS
(Exhibit C)

- ☐ AIA Document A104 – 2017 edition
Standard Abbreviated Form of Agreement Between Owner and Contractor
 - 17.2.2.1 Add sentence to the end “While the interests of all parties are covered, only the Owner will be named as an insured.”
 - 17.2.2.7.1 & 17.2.2.7.2 Add sentence to the end “This paragraph does not apply to the extent Owner, Contractor, subcontractor, sub-subcontractor, architect, architects consultants or an agent of any of the above has liability insurance to cover damages sustained by Owner and Contractor.”
 - 21.11 Delete entire paragraph
- ☐ AIA Document A105 – 2017
Standard Short Form of Agreement Between Owner and Contractor
 - 5.5 Delete entire paragraph
- ☐ AIA Document A107 – 1997 edition
Abbreviated Standard Form of Agreement Between Owner and Contractor for Construction Projects of Limited Scope
 - 15.2.2 Delete the word “sole” from the last sentence
 - 16.3.3 Delete entire paragraph
 - 16.4.1 Delete last sentence only (beginning with “this insurance shall...”)
 - 16.5.1 Delete entire paragraph
- ☐ AIA Document A107 – 2007 edition
Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope
 - 17.3.1 Replace last sentence with “While the interests of all parties are covered, only the Owner will be named as an insured”
 - 17.3.3 Add sentence to end of paragraph “This paragraph does not apply to the extent Contractor, subcontractor, sub-subcontractor, architect, architects’ consultants, or an agent of any of the above has liability insurance to cover damages sustained by Owner”
- ☐ AIA Document A141 – 2014 edition
Standard Form of Agreement between Owner and Design-Builder
 - B.3.2.1 Add sentence to 10th line down after “in the Project” as follows – “While the interests of all parties are covered, only the Owner will be named as an insured.”
 - B.3.2.2 Delete second half of last sentence “and the Owner and Design-Builder shall be named insured on the policy.”
 - B.3.2.4 Add sentence to end of paragraph “This paragraph does not apply to the extent Owner or Design-Builder or an agent of any of the above has liability insurance to cover damages sustained by Owner or Design-Builder.”
 - B.3.2.5 Delete last sentence. Also, add sentence to end “This paragraph does not apply to the extent Owner or Design-Builder or an agent of any of the above has liability insurance to cover damages sustained by Owner or Design-Builder.”
 - B.3.2.7 Add sentence to end “This paragraph does not apply to the extent Owner or Design-Builder, contractor, sub-contractor, sub-subcontractor or any agent of the Above has liability insurance to cover damages sustained by Owner or Design-Builder.”
- ☐ AIA Document A201/CMA – 1992 edition
Standard Form of Agreement Between Owner and Architect where the Construction Manager is NOT a Constructor
 - 10.1.4 Delete the phrase “in whole or in part” in the second line from the bottom of paragraph
 - 11.3.1 Delete last sentence only
 - 11.3.2 Delete “this insurance shall include interests of the Owner, Construction Manager, Contractor, Subcontractors and Sub-subcontractors in the Work and the Owner and Contractor shall be named insureds” beginning in the fifth line of the paragraph
 - 11.3.5 Delete entire paragraph
 - 11.3.7 Delete entire paragraph
 - 11.3.8 Delete entire paragraph
 - 11.3.9 Delete entire paragraph
 - 11.3.10 Delete entire paragraph

ADDENDUM/CHANGES TO AIA or AGC CONTRACTS
(Exhibit C)

- ☐ AIA Document A232 – 2009 edition
General Conditions of the Contract for Construction, Construction Manager as Advisor
 - 11.3.1 Add sentence to end “While the interests of all parties are covered, only the Owner will be named as an insured”
 - 11.3.2 Delete second half of last sentence “and the Owner and Contractor shall be named insureds”. Add sentence to end of paragraph “Owner and Contractor agree only the Owner will be an insured on the policy”
 - 11.3.3 & 11.3.5 Add sentence to end of each “This paragraph does not apply to the extent Owner, Contractor, subcontractor, sub-subcontractor, architect, architects consultants, or an agent of any of the above has liability insurance to cover damages sustained by Owner or Contractor.”
 - 11.3.7 Add sentence to end “This paragraph does not apply to the extent Owner, Contractor, subcontractor, sub-subcontractor, architect, architects’ consultants, or an agent of any of the above has liability insurance to cover damages sustained by Owner or Contractor.”
 - 15.1.6 Delete entire paragraph
- ☐ AGC Document 410 – 1993 edition
Standard Form of Design – Build Agreement and General Conditions Between Owner and Contractor
 - 11.5.1 Delete second sentence only (beginning with “This insurance shall...”)
 - 11.5.3 Delete entire paragraph
 - 11.5.4 Delete entire paragraph
 - 11.6.1 Delete entire paragraph
 - 11.7.1 Delete entire paragraph
 - 11.7.2 Delete entire paragraph
- ☐ AGC Document 415 – 1993 edition
Standard Form of Design – Build Agreement and General Conditions Between Owner and Contractor
 - 10.1.2 Delete entire paragraph
 - 10.5.1 Delete Contractor, Architect/Engineer, Subcontractors and Sub subcontractors from the second sentence in lines two and three
 - 10.5.4 Delete Contractor, Architect/Engineer, Subcontractors and Sub subcontractors from the first sentence in lines one and two and the entire last sentence (beginning with “Exposures of the...”)
 - 10.5.5 Delete last sentence only (beginning with “If the Contractor...”)
 - 10.7.1 Delete entire paragraph
 - 10.7.2 Delete entire paragraph
- ☐ AIA Document A191 – Electronic Format – 1996 edition
Standard Form of Agreements Between Owner and Design/Builder
 - 7.2.1 Delete last sentence only (beginning with “The Design/Builder shall...”)
 - 7.3.1 Delete last sentence only (beginning with “This insurance shall...”)
 - 7.3.3 Delete entire paragraph
 - 7.3.4 Delete last two sentences (beginning with “This insurance shall...”)
 - 7.3.8 Delete entire paragraph
 - 7.4.1 Delete entire paragraph
- ☐ AIA Document B101 – 2007 edition
Standard Form of Agreement Between Owner and Architect
 - 8.1.2 Delete entire paragraph
 - 8.1.3 Delete entire paragraph
 - 8.2.4 Add the following: Both parties agree the method of binding dispute resolution will be “Litigation in a court of competent jurisdiction.”
- ☐ ☐ AIA Document B101 – 2017 edition
Standard Form of Agreement Between Owner and Architect
 - 8.1.2 Delete entire paragraph
 - 8.1.3 Delete entire paragraph
 - 8.2.3 Add the following: Both parties agree the method of binding dispute resolution will be “Litigation in a court of competent jurisdiction.”

**ADDENDUM/CHANGES TO AIA or AGC CONTRACTS
(Exhibit C)**

- ☐ AIA Document B104 – 2017 edition
Standard Abbreviated Form of Agreement Between Owner and Architect
 - 8.1.2 Delete entire paragraph
 - 8.1.3 Delete entire paragraph
 - 8.2.3 Add the following: Both parties agree the method of binding dispute resolution will be “Litigation in a court of competent jurisdiction.”

- ☐ AIA Document B141 — 1997 edition
Standard Form of Agreement Between Owner and Architect with
Standard Form of Architects Services
 - 1.3.6 Delete entire paragraph
 - 1.3.7.4 Delete entire paragraph
 - 1.4.2.1 Add at end of paragraph. “This paragraph does not apply to the extent Architect or any subconsultants have liability insurance to cover negligence errors or omissions.”

- ☐ AIA Document B151-1997 edition
Abbreviated Standard Form of Agreement Between Owner and Architect
 - 9.4 Delete entire paragraph

- ☐ AGC Document 250 – 2000 edition
Standard Form of Agreement and General Conditions Between Owner and Contractor
 - 11.1.1 Delete the phrase “other than to the work itself and other property insured under Subparagraph 11.4” from the first sentence (beginning in the third line)
 - 11.1.2 Owner will not be responsible to indemnify for any act or omission of an Architect/Engineers or Others
 - 11.2 Delete entire paragraph
 - 11.4.1 Delete the second sentence (beginning with “This insurance shall also name...”) and delete the fourth sentence (beginning with “This policy shall provide for a waiver...”)
 - 11.4.3 Delete entire paragraph up to the word “more” in the eighth line. The rest of the paragraph (beginning with “the Contractor shall indemnify”) remains intact

CONTRACTOR:

PARISH:

The Church of _____ - _____ (City) Parish

(PARISH is understood to include the Diocese of Bismarck)

BY:

BY:

NAME

NAME, PASTOR

DATE

DATE

(Revised 7/2022)

ADDENDUM TO LEASE

(Exhibit D)

GENERAL LIABILITY INSURANCE: LESSEE shall maintain general liability insurance in the amount of not less than two million dollars (\$2,000,000) per occurrence for the duration in which LESSEE rents or uses PARISH/INSTITUTION property and name PARISH/INSTITUTION as an additional insured on such policy of insurance. It is further agreed that LESSEE agrees to protect, indemnify, defend and hold harmless the PARISH/INSTITUTION against and from any claim or cause of action arising out of or from any negligence or other actionable fault caused by LESSEE or its employees, agents, members or officers.

FIRE DAMAGE INSURANCE: LESSEE shall maintain fire damage insurance (fire legal liability) for the term of this lease. LESSEE agrees to maintain fire damage coverage in the minimum amount of two million dollars (\$2,000,000).

WORKER'S COMPENSATION INSURANCE: LESSEE shall maintain worker's compensation insurance as required by law.

ADDITIONAL INSURED: LESSEE will name the PARISH/INSTITUTION as an additional insured on its general liability insurance policy for the duration of LESSEE'S renting or using PARISH/INSTITUTION property for claims arising out of LESSEE'S operations or made by LESSEE'S employees, agents, students, guests, customers or invitees. LESSEE must verify that its insurance policy is primary in the event of a covered claim or cause of action against PARISH/INSTITUTION. LESSEE will provide proof to PARISH/INSTITUTION that the insurance requirements have been met as outlined in this contract. If and only if LESSEE fails to fulfill the insurance requirements contained in this addendum, then LESSEE agrees to defend, hold harmless and indemnify the PARISH/INSTITUTION against and from any claim or cause of action arising out of LESSEE'S operations or any claim or cause of action which is brought against PARISH/INSTITUTION by LESSEE, its employees, agents, students, guests, customers, invitees which is alleged against the PARISH/INSTITUTION, even if such claim or cause of action arose from the negligence of PARISH/INSTITUTION, its employees or volunteers, or the negligence of any other individual or organization.

INSPECTION BY THE PARISH/INSTITUTION: PARISH/INSTITUTION may at all reasonable times enter premises leased to LESSEE for inspection purposes.

NO WAIVER OF SUBROGATION: PARISH/INSTITUTION does not waive any rights of recovery against the LESSEE for damages that are covered by the PARISH/INSTITUTION property insurance coverage. LESSEE and PARISH/INSTITUTION agree that this addendum overrides all portions of previous agreements between LESSEE and PARISH/INSTITUTION that contain language in contradiction with this contract.

SEVERABILITY PROVISION: If any paragraph of this Addendum to Lease is deemed or is determined to be in conflict with local or state or national statutes, both LESSEE and PARISH/INSTITUTION agree that the portion of the Addendum to Lease which is in conflict with the statute will be stricken from the Addendum to Lease with the remainder of the Addendum to Lease remaining binding for both parties.

LESSEE:

BY:

Name:

Date:

PARISH/INSTITUTION:

The Church of _____ - _____ (City) Parish

(PARISH/INSTITUTION is understood to include the Diocese of Bismarck)

BY:

Pastor's Name:

Date:

START DATE OF LEASE (Understood to be date signed if left blank): _____

**ADDENDUM TO SERVICE CONTRACT
or SMALL CONSTRUCTION
CONTRACT
(Exhibit E)**

GENERAL LIABILITY INSURANCE: While CONTRACTOR/SERVICE PROVIDER is performing operations at PARISH, CONTRACTOR/SERVICE PROVIDER shall maintain general liability insurance in the amount of not less than one million dollars (\$1,000,000) per occurrence. It is further agreed that the CONTRACTOR/SERVICE PROVIDER agrees to protect, defend, indemnify, and hold harmless the PARISH against and from any claim or cause of action arising out of or from any negligence or other actionable fault of the CONTRACTOR/SERVICE PROVIDER, or its employees, agents, members, or officers.

WORKER'S COMPENSATION INSURANCE: CONTRACTOR/SERVICE PROVIDER shall maintain worker's compensation insurance as required by law.

EVIDENCE OF INSURANCE: CONTRACTOR/SERVICE PROVIDER agrees to provide evidence of the above insurance coverage to the PARISH.

NO WAIVER OF SUBROGATION: PARISH does not waive or limit any rights of recovery against the CONTRACTOR/SERVICE PROVIDER for any damages resulting from the negligent acts of the CONTRACTOR/SERVICE PROVIDER associated with the contract. PARISH and CONTRACTOR/SERVICE PROVIDER agree that CONTRACTOR/SERVICE PROVIDER'S financial responsibility is limited to the amount of CONTRACTOR/SERVICE PROVIDER'S liability insurance in the event CONTRACTOR/SERVICE PROVIDER causes damage or loss to PARISH.

CONTRACT OVERRIDE AND SEVERABILITY PROVISION: CONTRACTOR/SERVICE PROVIDER and PARISH agree that this addendum overrides all portions of previous agreements between CONTRACTOR/SERVICE PROVIDER and PARISH that contain language in contradiction with this contract. If any portion of this Addendum to Service Contract is deemed or is determined to be in conflict with local or state or national statutes, both CONTRACTOR/SERVICE PROVIDER and PARISH agree that the portion of the Addendum to Service Contract which is in conflict with the statute will be stricken from the Addendum to Service Contract with the remainder of the Addendum to Service Contract remaining binding for both parties.

CONTRACTOR/SERVICE

PROVIDER: PARISH:

The Church of _____ - _____ (City) Parish

(PARISH is understood to include the
Diocese of Bismarck)

BY:

BY:

NAME

PASTOR'S NAME

DATE

DATE

START DATE OF CONTRACT (Understood to be date signed if left blank): _____

*Instruction to Parish (Parish Use Only): This Addendum to Service Contract or Small
Construction Contract stands on its own as a legal contract between
PARISH/INSTITUTION and CONTRACTOR/SERVICE PROVIDER should this
addendum not be incorporated or attached to a contract.*

(Revised 07/2022)