

Agreement on Entrustment of Building Design and Supervision, etc.

Established by the Federation of the Four Incorporated Associations

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Research and Study Group on Agreement on Entrustment of Building Design and Supervision, etc. Established by the Federation of the Four Incorporated Associations

Japan Federation of Architects & Building Engineers Associations

Japan Association of Architectural Firms

Japan Institute of Architects

Japan Federation of Construction Contractors

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YASUI ARCHITECTS & ENGINEERS, INC.

The following Business Entrustment Agreement may be attached to these Agreement on Entrustment of Building Design and Supervision, etc.

- Architectural Design / Supervision Business Entrustment Agreement
- Architectural Design Business Entrustment Agreement
- Supervision Business Entrustment Agreement
- Research and Planning Business Entrustment Agreement
- Architectural Design / Research and Planning Business Entrustment Agreement

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Agreement on Entrustment of Building Design and Supervision, etc. Established by the Federation of the Four Incorporated Associations

Article 1 [General Provisions]

1. The Entrustor and the Entrustee shall comply with the laws and regulations of Japan, and shall perform this Agreement on Entrustment (including the Main Agreement to which this Entrustment Agreement is attached; hereinafter the same shall apply) and the Business Entrustment Document which shall include the business related to design (hereinafter referred to as the “Design Business”), the business related to supervision (hereinafter referred to as the “Supervision Business”) or the business related to research and planning (hereinafter referred to as the “Research and Planning Business”) (hereinafter collectively referred to as “this Agreement”).
2. The Entrustee shall comply with the Act on Architects and Building Engineers, the Building Standards Act and other laws and regulations relating to the business, and shall perform the business fairly and honestly in accordance with this Agreement and with the care of a good manager, so as to contribute to the quality of the building.
3. The Entrustee shall, in performing the Design Business and Supervising Business, cause a person or persons having the qualifications required under the Act on Architects and Building Engineers and any other laws (including, Articles 20-2 and 20-3 of the said Act) to be engaged in the business.
4. The Supervision Business under this Agreement shall include the supervision provided for in Article 2, paragraph 8 of the Act on Architects and Building Engineers and the supervisor’s business provided for in Article 18, paragraph 3 and Article 20, paragraph 3 of the said act.
5. The Entrustor shall pay to the Entrustee each of the fees for the Design Business, the Supervision Business or the Research and Planning Business under this Agreement.
6. In the case where the Entrustor has entrusted any business related to this Agreement to a person, natural or juridical, other than the Entrustee, the Entrustor shall, immediately after the execution of this Agreement, notify the Entrustee in writing of the scope of such business and authority. In the case of entrustment after the execution of this Agreement, the Entrustor shall do the same immediately after the execution of an agreement on such entrustment.
7. The provisions on the periods in the Civil Code shall apply to those specified in this Agreement.

Article 2 [Principle of Consultations in Writing]

The Entrustor and the Entrustee shall, in principle, promptly prepare a document and affix their names and seals thereon on the matters agreed on through consultations with regard to the Design Business, the Supervision Business or the Research and Planning Business to be carried out by the Entrustee. (To the extent of complying with laws and regulations, the preceding sentence shall allow preparation of and affixment on the document using information and communication technologies such as an electronic data processing system; provided that these are equivalent thereto.)

Article 3 [Information Provision Related to Business]

1. The Entrustor shall, at the request of the Entrustee, promptly provide the Entrustee with the intention of construction planning and architectural design, the summary of the construction plan, required conditions, materials and any other information (including information related to the survey of, and drawings and data on the geology and ground of the site subject to this Agreement) required to perform the Design Business, the Supervision Business or the Research and Planning Business.
2. The Entrustor may, if necessary, give instructions to the Entrustee in relation to the Design Business, the Supervision Business or the Research and Planning Business; provided, however, that if it is deemed that the instructions conflict or are likely to conflict with the Act on Architects and Building Engineers Act, the Building Standards Act and any other laws related to the business, the Entrustee may request for withdrawal or change of such instructions.

Article 4 [Explanations and Submission of Deliverables]

1. Regarding the Design Business, the Entrustee shall appropriately provide the Entrustor with explanations as deemed necessary to carry out the Design Business, and give to the Entrustor explanations concerning the deliverables of the Design Business described in the Business Entrustment Document (hereinafter referred to as the “Design Deliverables”) and submit them to the Entrustor.
2. Regarding the Research and Planning Business, the Entrustee shall appropriately provide the Entrustor with explanations as deemed necessary to carry out the Research and Planning Business, and give to the Entrustor explanations concerning the deliverables of Research and Planning Business described in the Business Entrustment Document (hereinafter referred to as the “Research and Planning Deliverables”) and submit them to the Entrustor.

Article 5 [Submission of Business Process Schedule]

1. The Entrustee shall prepare the business process schedule for the Design Business or the Research and Planning Business based on the Business Entrustment Document, explain its details and submit it to the Entrustor within fourteen (14) days from the date of execution of this Agreement with the Entrustor.
2. The Entrustor may request the Entrustee for consultations on revision of the business process schedule within seven (7) days from the receipt of the business process schedule under the preceding paragraph.
3. In the event that the period of performance or the details of the Business Entrustment Document are changed hereunder and the Entrustor finds it necessary, the Entrustor may request the Entrustee to resubmit the business process schedule. In such event, the Paragraphs 1 and 2 above shall apply mutatis mutandis with “from the date of execution of this Agreement with the Entrustor” in paragraph 1 replaced with “from the date of the request”.

Article 6 [Explanations about Supervision Business Policy, etc.]

1. The Entrustee shall develop the supervision business policy based on the Business Entrustment Document and explain its details to the Entrustor.
2. The Entrustor may request the Entrustee for consultations on revision of the supervision business policy under the preceding paragraph within seven (7) days from the date of explanation thereof.
3. In the event that the period of performance or the details of the Business Entrustment Document are changed hereunder and the Entrustor finds it necessary, the Entrustor may request the Entrustee for re-explanation of the supervision business policy.

Article 7 [No Assignment of Rights and Obligations]

1. The Entrustor and the Entrustee shall not assign, offer as security or get succeeded to any third party the rights or obligations arising from this Agreement, except for the case where either party obtains the prior written consent of the other party.
2. The Entrustee shall not assign, lend or offer as a pledge or any other security the Design Deliverables or the Research and Planning Deliverables (hereinafter collectively referred to as the “Deliverables”), those which are in the process of preparation for the Deliverables (hereinafter referred to as the “Incomplete Deliverables”) and the records, etc. obtained in performing the business, except for the case where the Entrustee obtains the prior written consent of the Entrustor.

Article 8 [Confidentiality]

1. The Entrustor and the Entrustee shall not divulge to any third party any confidential information of the other party obtained in performance of this Agreement; provided that if the Entrustor and the Entrustee agree otherwise regarding confidentiality, such other agreement shall prevail.
2. The Entrustee shall not allow any third party to view or copy the Deliverables, the Incomplete Deliverables and the records, etc. obtained in the performance of the Design Business, the Supervision Business or the Research and Planning Business without the consent of the Entrustor.

Article 9 [Ownership of Copyrights]

If the Deliverables or the building completed by using the Deliverables (hereinafter referred to as the “Building”) falls under the “Work” (Article 2, paragraph 1, item 1 of the Copyright Act) (hereinafter the Deliverables falling under the “Work” shall be referred to as the “Work Deliverables” and the Building falling under the “Work” shall be referred to as the “Work Building”), copyrights thereof (including moral rights of authors; hereinafter referred to as the “Copyrights”) shall belong to the Entrustee.

Article 9-2 [Registration of Design Right, etc.]

1. If the Entrustor or Entrustee intends to obtain a new design registration (Articles 3, etc. of the Design Act) of the Building or the building expressed by the Deliverables (including their respective parts) (hereinafter referred to as the “Building, etc.”), it shall notify the other party in writing to obtain the other party's consent in advance.
2. In the event that either party has registered its design right for the Building, etc. or knows that a third party has registered a design right therefor, it shall notify the other party in writing to that effect.

Article 10 [Use of Work]

1. Unless otherwise provided, the Entrustor may use the Work Deliverables as set forth in the items below. In such event, the Entrustee shall not allow any third party other than the Entrustor to use the Work Deliverables set forth in the items below.
 - (1) To complete a building (if the Work Deliverables consist of two or more buildings, one building may be completed for each building deliverable) using the Work Deliverables.
 - (2) To reproduce, transform, adapt, alter or otherwise modify the Work Deliverables to the extent necessary for the purposes of the preceding item (including the Design Business and the Research and Planning Business required by any change such as a change of the requirements by the Entrustor after the delivery of the Work Deliverables by Entrustee to the Entrustor and an alternative proposal by the constructor, etc. that is accepted by the Entrustor (e.g. VE proposal) and of the extension, reconstruction, repair, redecoration, maintenance, management, operation and publicity, etc. of the Work Building.
2. The Entrustor may use or demolish the Work Building as set forth in the items below.
 - (1) To express the Work Building in photos, models, paintings and any other media.
 - (2) To extend, reconstruct repair or refurbish the Work Building.

Article 10-2 [Use of Design Rights, etc.]

The Entrustor and the Entrustee shall discuss the handling of design rights when using their own or a third party's registered design (Article 2, Paragraph 3 of the Design Act) in the design business.

Article 11 [Restrictions on Moral Rights of Authors]

1. The Entrustor may publish the details of the Work Deliverables or the Work Building.
2. The Entrustee shall obtain the consent of the Entrustor when conducting any of the acts set forth in the items below.
 - (1) To publish the details of the Work Deliverables or the Work Building.
 - (2) To indicate the real name or assumed name of the Entrustee in the Work Building.
3. In the case of Article 10 and paragraph 1 of this Article, the Entrustee shall not, unless otherwise specified, exercise to the Entrustor the rights set out in Article 19, Paragraph 1 of the Copyright Act (Right of Attribution) in respect of the Work Building and the rights set out in Article 20, Paragraph 1 of the said Act (Right to Integrity) in respect of the Work Deliverables and the Work Building, respectively.

Article 12 [No Assignment of Copyrights and Design Rights]

1. The Entrustee shall not assign the copyrights related to the Work Deliverables and Work Building without obtaining the prior written consent of the Entrustor.
2. The Entrustor and the Entrustee shall not assign to any third party the right to obtain a design registration or the design right held by the Entrustor or the Entrustee in respect of the Building, etc. without obtaining the prior written consent of the other party.

Article 13 [Warranty of Copyrights, etc.]

In the event that the Entrustee infringes on the copyrights, patent rights, utility model rights, design rights, trademark rights and any other rights of a third party protected by the laws of Japan (in this Article, referred to as the “Copyrights, etc.”) with respect to the method of performance of the Design Business or the Research and Planning Business and the Deliverables, the Entrustee shall compensate the third party for the damage. In such event, if the Entrustor commits any negligence giving an instruction to the Entrustee, the Entrustor shall bear the compensation in proportion to its attributable ratio of negligence.

Article 14 [Re-entrustment]

1. The Entrustee shall not entrust to any third party all of the Design Business, the Supervision Business or the Research and Planning Business in block.
2. The Entrustee may entrust part of the Design Business or the Supervision Business to an owner of another architect office (Article 23-3, paragraph 1 and Article 23-5 of the Act on Architects and Building Engineers). In such event, the Entrustee shall, in advance, deliver to the Entrustor the document stating the summary of the business to be entrusted, the name or appellation of the owner of the architect office, its address and category (1st class, 2nd class, wooden) ,etc., and explain the purpose of the entrustment and obtain the consent of the Entrustor.
3. If Entrustee intends to entrust to a third party part of the Research and Planning Business, the Entrustee shall deliver to the Entrustor the document stating the summary of the business to be entrusted, the name or appellation of the third party and its address, explain the purpose of entrustment and obtain the consent of Consignor in advance.
4. If the Entrustee entrusts part of the business to the owner of the other architect office or the third party under paragraph 2 or the preceding paragraph, the Entrustee shall be liable for all the acts of such owner or such third party related to the entrustment.

Article 15 [Explanations and Reporting Obligations of Entrustee]

1. The Entrustee shall give explanations and reports to the Entrustor on the progress of the Design Business, the Supervision Business or the Research and Planning Business when this Agreement requires or when the Entrustor requests.
2. Notwithstanding the provisions of the preceding paragraph, the Entrustee shall appropriately give explanations and reports to the Entrustor at each milestone regarding the Business and deliverables to submit.

Article 15-2 [Prohibition on Harassment]

1. The Entrustor shall not make any excessive demand without just reason, say abusive words, or say and take any words and actions unacceptable according to social norms (hereinafter collectively referred to as “Harassment”) to the Entrustee (including an owner of another architect office or a third party to whom the Entrustee entrusts part of the Business under Article 14, Paragraph 2 or 3; the same shall apply in this Article.)
2. The Entrustee shall not make the Harassment to the Entrustor.

Article 16 [Addition and Change to Design Business Entrustment Document, etc.] [Applied to Entrustment of Design Business]

1. If the Entrustor finds it necessary in the phase of the Design Business, it may add to or change the details of the Business Entrustment Document, the details of consultations between the Entrustor and the Entrustee or the instructions already given by the Entrustor, giving a notice to the Entrustee. In such event, the Entrustee may, by specifying the reasons, claim to the Entrustor a change of the performance period and a change in the Design Business fees deemed to be necessary, and may claim damages if the Entrustee incurs any damage.
2. The Entrustee agrees that the Entrustor or the person entrusted with the Supervision Business shall determine part of the Design Business scheduled to be finally determined in the phase of the Supervision Business out of the Design Business conducted by the Entrustee, and shall not bring an objection to their determination, except for “the basic business related to the detail design which it is reasonable for the designer to carry out in the phase of execution of construction” in the Business Entrustment Document.
3. If it becomes necessary to change the Design Deliverables in the phase of the Supervision Business, the Entrustor shall separately entrust to the Entrustee the Design Business necessary for the change (hereinafter referred to as the “Design Change Business”); provided, however, that if the Entrustee does not accept such entrustment, the Entrustor may entrust a third party.
4. If the Entrustor intends to entrust to the Entrustee the Design Change Business under the preceding paragraph, the Entrustor shall obtain the prior consent of the Entrustee with regard to the performance period and business fees, etc. through consultations.
5. If the Entrustor entrusts the Design Change Business to a third party under paragraph 3, the following items shall apply.
 - (1) The Entrustee shall not be liable for the details of the Design Change Business.
 - (2) The Entrustor shall not use the name of the Entrustee as the designer related to the change in the planning change procedure required under the Building Standards Act (hereinafter referred to as the “Planning Change Procedure, etc.”). If the Entrustor does not take the Planning Change Procedure, etc., the name of the Entrustee shall not be used as the designer.
6. In the case where the decision or instruction to be made or given by the Entrustor is delayed for many more days than specified in the business process schedule submitted under Article 5, the Entrustee may, by specifying the reasons, claim to the Entrustor a change in the performance period and a change in the Design Business fees deemed to be necessary, and may claim damages if the Entrustee incurs any damage; provided that no damages shall be claimed if such delay is not attributable to the Entrustor in light of this Agreement and the socially accepted norms in the business.

Article 16-2 [Addition and Change to Supervision Business Entrustment Document, etc.] [Applied to Entrustment of Supervision Business]

1. If, for any reason not attributable to the Entrustee, it is deemed to be necessary to change the details of the Supervision Business due to a design change (including one related to an alternative proposal by the construction contractor that is approved by the Entrustor (VE proposal, etc.)), a change in the conditions of the construction site or insufficient quality control of the construction contractor, the Entrustor and the Entrustee shall promptly have consultations on changes in the Business Entrustment Document, the performance period and the Supervision Business fees.
2. In the case of the preceding paragraph, the Entrustee may conduct the Supervision Business deemed to be necessary, giving a notice to the Entrustor until an agreement is reached through consultations between the Entrustor and the Entrustee. In such event, the Entrustee may claim the Supervision Business fees deemed to be necessary by specifying the reasons to the Entrustor.

3. If it becomes necessary to change the Design Deliverables in the phase of the Supervision Business, the Entrustor shall separately entrust the Design Change Business to the person who conducted the Design Business before the change (hereinafter referred to as the “Original Designer”); provided, however, that if the Original Designer does not accept entrustment, the Entrustor may entrust the Entrustee or a third party.
4. Under the preceding paragraph, if the Entrustor entrusts the Design Change Business to the Original Designer or a third party, the Entrustor shall present the results of the change to the Entrustee.
5. Under paragraph 3. if the Entrustor intends to entrust to the Entrustee the Design Change Business, the Entrustor shall obtain the prior consent of the Entrustee with regard to the performance period and business fees, etc. through consultations.

Article 16-3 [Addition and Change to Design and Supervision Business Entrustment Document, etc.] [Applied to Entrustment of Design and Supervision Business Together]

1. If the Entrustor finds it necessary in the phase of the Design Business, it may add to or change the details of the Business Entrustment Document, the details of consultations between the Entrustor and the Entrustee or the instructions already given by the Entrustor, giving a notice to the Entrustee. In such event, the Entrustee may, by specifying the reasons, claim to the Entrustor a change of the performance period and a change in the Design Business fees deemed to be necessary, and may claim damages if the Entrustee incurs any damage.
2. If it becomes necessary to conduct a design change, etc. in the phase of the Supervision Business (including addition or change in connection with an alternative proposal (VE proposal, etc.) by the construction contractor which is approved by the Entrustor), the Entrustor shall entrust to the Entrustee the Design Business necessary for the change, and the Entrustor and the Entrustee shall promptly have consultations on such necessary matters as the fees, the performance period, etc. In such event, if an agreement is not reached through consultations, the Entrustee may claim to the Entrustor the performance period and the Design Business fees deemed to be necessary by specifying the reasons.
3. In the supervision phase, if, for any reason not attributable to the Entrustee, it is deemed to be necessary to change the details of the Supervision Business due to a design change under paragraph 1 or 2, a change in the conditions of the construction site or insufficient quality control of the construction contractor, the Entrustor and the Entrustee shall promptly have consultations on changes in the Business Entrustment Document, the performance period and Supervision Business fees.
4. In the case of the preceding paragraph, the Entrustee may conduct the Supervision Business deemed to be necessary, giving a notice to the Entrustor until an agreement is reached through consultations between the Entrustor and the Entrustee. In such event, the Entrustee may claim the Supervision Business fees deemed to be necessary by specifying the reasons to the Entrustor.
5. Article 16, Paragraph 6 shall also be applicable under Paragraph 1 above as the case may be.

Article 16-4 [Addition and Changes to Research and Planning Business Entrustment Document, etc.] [Applied to Entrustment of Research and Planning Business]

If the Entrustor finds it necessary in the phase of the Research and Planning Business, it may add to or change the details of the Business Entrustment Document, the details of consultations between the Entrustor and the Entrustee or the instructions already given by the Entrustor, giving a notice to the Entrustee. In such event, the Entrustee may, by specifying the reasons, claim to the Entrustor a change of the performance period and a change in the Research and Planning Business fees deemed to be necessary, and may claim damages if the Entrustee incurs any damage.

Article 17 [Resolution of Inconsistencies, etc. in Design Business and Research and Planning Business]

1. If it is discovered that the details of business entrustment document, the consultations between the Entrustor and the Entrustee or the instructions by the Entrustor are mutually inconsistent or that their details are insufficient or inappropriate, the Entrustor and the Entrustee shall promptly have consultations to resolve the inconsistencies, etc.
2. In the case of the preceding paragraph, if an agreement is reached through consultations and the inconsistencies, etc. are resolved, the Entrustee shall perform the Design Business or the Research and Planning Business in accordance with the results of consultations. In such event, if the inconsistencies, etc. are attributable to the Entrustor, the Entrustee may claim to the Entrustor changes in the performance period and in the Design Business fees or the Research and the Planning Business fees deemed to be necessary and damages if the Entrustee incurs any damage; and if the inconsistencies, etc. are attributable neither to the Entrustor nor the Entrustee, the Entrustee may claim to the Entrustor changes in the performance period and in the Design Business fees or the Research and Planning Business fees deemed to be necessary.

Article 18 [Extension of Performance Period for Design Business or Research and Planning Business]

1. If the Entrustee cannot complete the Design Business or the Research and Planning Business within the performance period due to any cause not attributable to the Entrustee, it may request the Entrustor to extend the performance period deemed to be necessary by specifying its reasons.
2. In the case where the performance period is extended through consultations between the Entrustor and the Entrustee, the extended period shall not be much shorter than ordinarily necessary for the performance of the Business.

Article 19 [Payment of Fees for Design Business, Supervision Business and Research and Planning Business]

1. The Entrustor shall pay, to the Entrustee, the Design Business fees and the Research and Planning Business fees provided for in the Main Agreement promptly after the receipt of the Deliverables for the Design Business and the Research and Planning Business, and the Supervision Business fees provided for therein promptly after the completion of the Supervision Business, unless otherwise provided for in the Main Agreement on any of the fees.
2. If the Entrustee cannot perform the Business for the reasons not attributable to the Entrustor or if this Agreement is terminated in the middle of the performance of the Business, the Entrustee may claim to the Entrustor fees for the Business in proportion to part of the Business already performed.

Article 20 [Increase in Supervision Business Fees]

If the construction is suspended, if the construction period is extended or if the construction is not completed within the construction period due to the causes not attributable to the Entrustee, it may claim to the Entrustor an increase in the Supervision Business fees deemed to be necessary by specifying its reasons.

Article 21 [Default Liability of Entrustee]

1. If the Entrustee fails to perform in accordance with the purpose of the obligations provided for in this Agreement or is unable to perform the obligations, the Entrustor may claim damages caused thereby, in addition to the remedies provided for in this Agreement. However, this shall not apply if the non-performance of the obligations is due to a cause not attributable to the Entrustee in light of this Agreement and the socially accepted norms in the business.
2. In the case of the default of the obligations in the Supervision Business, the claim referred to in the preceding paragraph shall be made within two (2) years from the date of completion and delivery of the Building.

Article 22 [Default Liability of Entrustor]

If the Entrustor fails to perform in accordance with the purpose of the obligations provided for in this Agreement or is unable to perform the obligations, the Entrustee may claim damages caused thereby, in addition to the remedies provided for in this Agreement. However, this shall not apply if the non-performance of the obligations is due to a cause not attributable to the Entrustor in light of this Agreement and the socially accepted norms in the business.

Article 23 [Liability of the Entrustee for Contractual Non-Conformity of Deliverables]

1. If, for a reason attributable to the Entrustee in light of this Agreement and the socially accepted norms in the business, it is found after delivery of the Deliverables that the Entrustee has failed to perform in accordance with the purpose of the obligations stipulated in this Agreement (hereinafter referred to as the "Default Attributable to Entrustee"), thereby rendering the Deliverables, in whole or in part, non-conforming to this Agreement in terms of type or quality (hereinafter referred to as the "Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee"), the Entrustor may demand to the Entrustee the subsequent completion of the performance. However, the Entrustee may do so in a manner different from that requested by the Entrustor; provided that this does not impose an undue burden on the Entrustor.
2. In the case of the preceding paragraph, if the Entrustee fails to subsequently complete the performance without any justifiable reason within a reasonable period of time after the Entrustor has given a demand for the subsequent completion of the performance within such period of time, the Entrustor may demand a reduction in the fees in proportion to the degree of the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee
3. Notwithstanding the provisions of the preceding paragraph, if it is clear that the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee is not expected to be subsequently completed even after the demand referred to in the preceding paragraph, the Entrustor may, without giving the demand, claim a reduction in the fees in proportion to the degree of Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee.
4. The Entrustor may claim to the Entrustee damages caused by the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee. However, if the Entrustor fails to give the notice required under paragraph 8 of this Article, this shall not apply to damages that would not have arisen had it given such notice.
5. The claims stipulated in paragraphs 1 to 4 shall be made within two (2) years from the date of completion and delivery of the Building; provided, however, that such claims shall be made within ten (10) years from the date of delivery of the Deliverables (in the case of both the Research and Planning Business and the Design Business, from the date of delivery of the Design Deliverables; the same shall apply in paragraph 6 of this Article).
6. Notwithstanding the provisions of the preceding paragraph, if the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee is caused by intention or gross negligence of the Entrustee, the period within which the claims stipulated in paragraphs 1 to 4 may be made shall be ten (10) years from the date of delivery of the Deliverables.
7. Notwithstanding the provisions of paragraph 5, with regard to the design of a new residential building as defined in Article 2 of the Act on Promotion of Housing Quality Assurance, etc., and with regard to the design of the "main structural resistance component" or the "component to prevent rainwater ingress" as defined in Article 5 of the Cabinet Order of the said Act, if the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee occurs in respect of anything affecting structural resistance or rainwater ingress, the period within which the claims provided for in paragraphs 1 to 4 may be made is ten (10) years from the date of delivery of the Deliverables.
8. If, after receiving the Deliverables, the Entrustor becomes aware of the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee, the Entrustor shall notify the Entrustee of its details without delay.
9. The provisions of the second sentence of paragraph 4 and of paragraph 8 shall not apply if the Entrustee is aware of the Contractual Non-Conformity of the Deliverables due to the Default Attributable to Entrustee.

Article 24 [Entrustor's Right of Suspension of Design Business and Research and Planning Business]

1. If it is deemed to be necessary, the Entrustor may demand the Entrustee to suspend all or part of the Design Business or the Research and Planning Business by giving a written notice to the Entrustee.
2. If the Entrustor intends to resume the Design Business or the Research and Planning Business suspended under the preceding paragraph, it shall give to the Entrustee a written notice to that effect.
3. Upon receipt of the notice under the preceding paragraph, the Entrustee shall give a written notice to the Entrustor and resume the Design Business or the Research and Planning Business.
4. If the Design Business or the Research and Planning Business is resumed under the preceding paragraph, the Entrustee may, by specifying the reasons, claim to the Entrustor a change of the performance period and a change in the Design Business fees or the Research and Planning Business fees deemed to be necessary, and may claim damages if the Entrustee incurs any damage.

Article 25 [Entrustee's Right of Suspension of Design Business and Research and Planning Business]

1. In any of the events set forth in the items below, the Entrustee may suspend all or part of the Design Business or the Research and Planning Business by giving a written notice to the Entrustor if the Entrustor fails to correct the situations after the Entrustee giving a notice requiring such correction within a reasonable period of time.
 - (1) The Entrustor delays payment of all or part of the Design Business fees or the Research and Planning Business fees payable under this Agreement due to a cause attributable to the Entrustor.
 - (2) The Design Business or the Research and the Planning Business is delayed due to a cause attributable to the Entrustor.
2. If the Entrustor has made payment under item (1) of the preceding paragraph or the cause provided for in item (2) is resolved, the Entrustee shall resume the Design Business or the Research and Planning Business at the request of the Entrustor or by notifying the Entrustee in writing on its own initiative. In this case, the Entrustee may, by specifying the reasons, claim to the Entrustor a change of the performance period and a change in the Design Business fees or the Research and Planning Business fees deemed to be necessary, and may claim damages if the Entrustee incurs any damage.

Article 26 [Entrustor's Exercise of Termination Right]

1. The Entrustor may terminate this Agreement in whole or in part at any time by giving a written notice to the Entrustee. In this case, if this Agreement is terminated at a time disadvantageous to the Entrustee, the Entrustor shall compensate the Entrustee for the damage, except in the case where there are unavoidable circumstances.
2. The Entrustor may terminate this Agreement in whole or in part (i) in the event that the Entrustee is in default in the performance of its obligations (except for a reason attributable to the Entrustor) and that, in spite of the Entrustor's demand to the Entrustee in writing the performance of the obligations within a reasonable period of time, the Entrustee has not performed within that period, or (ii) in the event that the Entrustee makes the Harassment as set forth in Article 15-2, Paragraph 2 and that, in spite of the Entrustor's demand to the Entrustee in writing corrective measures within a reasonable period of time, the Entrustee has not taken such measures within that period. However, this shall not apply if the non-performance of the obligations or the Harassment at the expiry of such period is minor in light of this Agreement and the socially accepted norms in the business.
3. In any of the events as set forth in the items below (except for a reason attributable to the Entrustor), the Entrustor may immediately terminate this Agreement in its entirety by giving a written notice to the Entrustee without giving the demand referred to in the preceding paragraph.
 - (1) It is clear that the Design Business or the Research and Planning Business will not be completed within the performance deadline.

- (2) The consultations provided for in this Agreement are not concluded.
- (3) None of the obligations by the Entrustee is able to be performed.
- (4) The Entrustee has clearly indicated its intention to refuse to perform all of its obligations.
- (5) Performance of a part of the obligations by the Entrustee is impossible or the Entrustee has clearly indicated its intention to refuse performance of a part of the obligations, and the purpose of this Agreement cannot be achieved by the remaining part alone.
- (6) Due to the nature of this Agreement or the intention of the parties, the purpose of this Agreement cannot be achieved unless performance is made at a specific time or within a specific period of time, and the time has elapsed without the Entrustee making performance.
- (7) The Entrustee makes the Harassment as set forth in Article 15-2, Paragraph 2 and it is obviously unlikely that the Entrustee will take corrective measures even if the Entrustor demands the Entrustee to do so under the preceding paragraph.
- (8) In addition to the events referred to in the preceding items, it is clear that the Entrustee has not performed its obligations and that the performance is unlikely to be sufficient to fulfil the purpose of this Agreement even after the Entrustor giving the demand referred to in the preceding paragraph.
- (9) The Entrustee breaches the provisions of Article 7, Paragraph 1 or 2.
- (10) The Entrustee falls under any of the subitems below.
 - a. Its Officers, etc. (if the Entrustee is a natural person, referring to the person; and if the Entrustee is a juridical person, its officers or representatives of branches or sales offices, etc. who are authorized to execute contracts ; the same shall apply in this item) are recognized as a member of organized crime groups as defined in Article 2, item 6 of the Act for the Prevention of Wrongful Acts by Members of Organized Crime Groups, or as a person for whom five years have not passed since he/she ceased to be the member of organized crime groups as defined in the said item (hereinafter referred to as the “Member, etc. of the Organized Crime Group”).
 - b. The Organized Crime Group (referring to the organized crime groups as defined in Article 2, item 2 of the said Act; the same shall apply hereinafter.) or the Member, etc. of the Organized Crime Group are recognized to be substantially involved in its management.
 - c. Its Officers, etc. are recognized to use the Organized Crime Group or the Member, etc. of the Organized Crime Group for the purpose of gaining unjust benefits for themselves, their company or a third party, or for the purpose of doing damage to a third party.
 - d. Its Officers, etc. are recognized to directly or actively cooperate on or be involved in the sustainment or operations of the Organized Crime Group by giving funds or special favors to the Organized Crime Group or the Member, etc. of the Organized Crime Group.
 - e. Its Officers, etc. are recognized to unjustly use a group or a person being aware that they are the Organized Crime Group or the Member, etc. of the Organized Crime Group.
 - f. Its Officers, etc. are recognized to have socially blamed relationships with the Organized Crime Group or the Member, etc. of Organized Crime Group.
 - g. The third party to whom the Entrustee assigned, offered as security or got succeeded the rights or obligations obtaining the prior written consent of the Entrustor under Article 7, Paragraph 1 or 2 is found to fall under any of a. to f. above.
 - h. The Entrustee is recognized to have executed a re-entrustment contract with a third party being aware that such third party falls under any of a. to f. above.
 - i. In the case where a re-entrustment contract is executed with a third party who falls under any of a. to f. above, the Entrustee does not obey the Entrustor’s demand to terminate the contract.

4. The Entrustor may terminate part of this Agreement by giving a written notice to the Entrustee without giving the demand referred to in paragraph 2 in the case of either of the items below (except for a reason attributable to the Entrustor).
 - (1) The performance of a part of the obligations by the Entrustee is impossible.
 - (2) The Entrustee has clearly indicated its intention to refuse performance of a part of the obligations.
5. If, in the case where the Entrustor terminates this Agreement pursuant to paragraph 2, 3 or the preceding paragraph, there is any damage to it, it may claim damages to the Entrustee. However, this shall not apply if the Entrustee's failure to perform its obligations is due to a reason not attributable to the Entrustee in light of this Agreement and the socially accepted norms in the business.

Article 26-2 [Entrustee's Exercise of Termination Right]

1. The Entrustee may terminate this Agreement in whole or in part at any time by giving a written notice to the Entrustor. In this case, if this Agreement is terminated at a time disadvantageous to the Entrustor, the Entrustee shall compensate the Entrustor for the damage, except in the case where there are unavoidable circumstances.
2. The Entrustee may terminate this Agreement in whole or in part (i) in the event that the Entrustor is in default in the performance of its obligations (except for a reason attributable to the Entrustee) and that, in spite of the Entrustee's demand to the Entrustor in writing the performance of the obligations within a reasonable period of time, the Entrustor has not performed within that period, or (ii) in the event that the Entrustor makes the Harassment as set forth in Article 15-2, Paragraph 2 and that, in spite of the Entrustee's demand to the Entrustor in writing corrective measures within a reasonable period of time, the Entrustor has not taken such measures within that period. However, this shall not apply if the non-performance of the obligations or the Harassment at the expiry of such period is minor in light of this Agreement and the socially accepted norms in the business.
3. In any of the events as set forth in the items below (except for a reason attributable to the Entrustee), the Entrustee may immediately terminate this Agreement in its entirety by giving a written notice to the Entrustor without giving the demand referred to in the preceding paragraph.
 - (1) The consultations provided for in this Agreement are not concluded.
 - (2) In the case of suspension of the Design Business or the Research and Planning Business in its entirety pursuant to Article 24 or 25, more than two (2) months have elapsed since such suspension.
 - (3) None of the obligations by the Entrustor is able to be performed.
 - (4) The Entrustor has clearly indicated its intention to refuse to perform all of its obligations.
 - (5) Performance of a part of the obligations by the Entrustor is impossible or the Entrustor has clearly indicated its intention to refuse performance of a part of the obligations, and the purpose of this Agreement cannot be achieved by the remaining part alone.
 - (6) Due to the nature of this Agreement or the intention of the parties, the purpose of this Agreement cannot be achieved unless performance is made at a specific time or within a specific period of time, and the time has elapsed without the Entrustor making performance.
 - (7) The Entrustor makes the Harassment as set forth in Article 15-2, Paragraph 1 and it is obviously unlikely that the Entrustor will take corrective measures even if the Entrustee demands the Entrustor to do so under the preceding paragraph.
 - (8) In addition to the events referred to in the preceding items, it is clear that the Entrustor has not performed its obligations and that the performance is unlikely to be sufficient to fulfil the purpose of this Agreement even after the Entrustee giving the demand referred to in the preceding paragraph.
 - (9) If, at the stage of the Supervision Business, the Entrustee requests the Entrustor to extend the period of performance or change the fees for the Supervision Business in accordance with Article 16-2, paragraphs 1 and 2 or Article 16-3, paragraphs 3 and 4, the Entrustor does not accommodate the request without reasonable grounds.

(10) The construction contract is terminated for any reason at the stage of the Supervision Business.

(11) The Entrustor breaches the provisions of Article 7, Paragraph 1 or 2.

(12) The Entrustor falls under any of the subitems below.

- a. Its Officers, etc. (if the Entrustor is a natural person, referring to the person; and if the Entrustor is a juridical person, its officers or representatives of branches or sales offices, etc. who are authorized to execute contracts; the same shall apply in this item) are recognized as the Member, etc. of the Organized Crime Group.
- b. The Organized Crime Group or the Member, etc. of the Organized Crime Group are recognized to be substantially involved in its management.
- c. Its Officers, etc. are recognized to use the Organized Crime Group or the Member, etc. of the Organized Crime Group for the purpose of gaining unjust benefits for themselves, their company or a third party, or for the purpose of doing damage to a third party.
- d. Its Officers, etc. are recognized to directly or actively cooperate on or be involved in the sustainment or operations of the Organized Crime Group by giving funds or special favors to the Organized Crime Group or the Member, etc. of the Organized Crime Group.
- e. Its Officers, etc. are recognized to unjustly use a group or a person being aware that they are the Organized Crime Group or the Member, etc. of the Organized Crime Group.
- f. Its Officers, etc. are recognized to have socially blamed relationships with the Organized Crime Group or the Member, etc. of Organized Crime Group.
- g. The third party to whom the Entrustor assigned, offered as security or got succeeded the rights or obligations obtaining the prior written consent of the Entrustee under Article 7, Paragraph 1 is found to fall under any of a. to f. above.
- h. The Entrustor is recognized to have executed a contract to entrust construction management related to this Agreement with a third party being aware that such third party falls under any of a. to f. above.
- i. In the case where a contract to entrust construction management related to this Agreement is executed with a third party who falls under any of a. to f. above, the Entrustor does not obey the Entrustee's demand to terminate the contract.

4. The Entrustee may terminate part of this Agreement by giving a written notice to the Entrustor without giving the demand referred to in paragraph 2 in the case of any of the items below (except for a reason attributable to the Entrustee).

(2) Part of the Design Business or the Research and Planning Business is suspended under the provisions of Article 24 or 25, and two (2) months have elapsed since such suspension.

(2) Its performance of a part of the obligations by the Entrustor is impossible.

(3) The Entrustor has clearly indicated its intention to refuse performance of a part of the obligations.

5. If, in the case where the Entrustee terminates this Agreement pursuant to paragraph 2, 3 or the preceding paragraph, there is any damage to it, it may claim damages to the Entrustor. However, this shall not apply if the Entrustor's failure to perform its obligations is due to a reason not attributable to the Entrustor in light of this Agreement and the socially accepted norms in the business.

Article 27 [Handling after Termination]

1. In the case of termination under Article 26 or the preceding Article, the handling of this Agreement after termination shall be as follows.

- (1) The Entrustor may use the Deliverables and uncompleted Deliverables that have been delivered by the Entrustee by the time of the termination of this Agreement (hereinafter referred to as the "Delivered Deliverables etc.').

- (2) Under the preceding item, if the Delivered Deliverables etc. fall under the Work, the provisions from Articles 9 through 12 shall apply by replacing the “Work Deliverables” with the “Delivered Deliverables etc.”; provided, however, that the Entrustor shall not publish the name of the Entrustee as to the incomplete Deliverables. Also, Article 13 shall apply to the Deliverables.
 - (3) If there are any documents to be submitted to the Entrustor by the Entrustee in relation to the Supervision Business conducted by the time of termination, the Entrustor may request the Entrustee to deliver the documents. If there are any documents already delivered to the Entrustor by the Entrustee, the Entrustor may use them.
 - (4) The Entrustee may, with respect to the Research and Planning Business, the Design Business or the Supervision Business, claim to the Entrustor payment of the business fees in proportion to the business performed pursuant to the purpose of the obligations until the termination of this Agreement (hereinafter referred to as “Each Proportionate Fee”).
 - (5) Under the preceding item, in the case where all or part of each business fee is paid by the Entrustor (hereinafter the business fee paid by the Entrustor shall be referred to as “Each Paid Fee”), if the amount of Each Proportionate Fee exceeds the amount of Each Paid Fee, the Entrustee may claim to the Entrustor payment of the difference, and if the amount of Each Proportionate Fee is less than the amount of Each Paid Fee, the Entrustor may claim to the Entrustee reimbursement of the difference.
2. In the case of termination under Article 26 or the preceding Article, the Entrustor may not claim subsequent completion, reduction of fees or damages in respect of the Delivered Deliverables that have not been completed.
 3. In the case of termination under Article 26 or the preceding Article, if a filing has been made with the public authorities designating the Entrustee as the construction supervisor, the Entrustor shall immediately change the filing. The Entrustor shall also give a written notice of such change to people related to the construction subject to this Agreement.

Article 28 [Insurance]

If the Entrustee buys insurance to secure the liabilities that can be borne under this Agreement, the Entrustee shall promptly give a notice to the Entrustor to that effect.

Article 29 [Dispute Resolution]

1. If any dispute arises between the Entrustor and the Entrustee in relation to this Agreement, either party may institute a suit or petition for conciliation for civil affairs under the Act for Conciliation for Civil Affairs.
2. Notwithstanding the preceding paragraph, the Entrustor and the Entrustee may petition for arbitration based on the arbitration agreement through mutual consultations.

Article 30 [Unstipulated Matters]

Matters not stipulated herein shall be determined through consultations between the Entrustor and the Entrustee as may be necessary.