



**The Town of Hilton Head Island
Regular Public Facilities Committee Meeting**

**Monday, April 27, 2015
10:00 a.m.**

Benjamin M. Racusin Council Chambers

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

1. **Call to Order**
2. **Freedom of Information Act Compliance**
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
3. **Committee Business**
 - Approval of Minutes:
 - March 23, 2015
4. **Unfinished Business**
5. **New Business**
 - Memorandum of Agreement for the Construction and Operation of a Boat Storage Shed at the Rowing and Sailing Center at Squire Pope Community Park
 - Consideration of a request by Adventure Cove to purchase Town Property.
 - Consideration of a request by Village at Wexford to purchase Town Property.
 - Consideration of a request by David Berry to purchase Town Property.
6. **Executive Session:** Land Acquisition related to the above agenda items.
7. **Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

TOWN OF HILTON HEAD ISLAND PUBLIC FACILITIES COMMITTEE

Date: March 23, 2015

Time: 10:00 A.M.

Members Present: Lee Edwards, Kim Likins, Tom Lennox

Members Absent: None

Staff Present: Scott, Liggett, Charles Cousins, Shea Farrar, Marcy Benson, Jayme Lopko, Shawn Colin

Others Present: Bill Harkins, *Councilman*

Media Present: None

1. Call to Order:

The meeting was called to order at 10:00 a.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Committee Business:

Approval of Minutes: Mrs. Likins moved to approve the Minutes of November 5, 2014 meeting. Since Mrs. Likins was the only member of the Committee present at the November 5, 2014 meeting, there was no second to her motion.

Approval of Draft 2015 Committee Meeting Dates

Mrs. Likins moved to approve the Draft 2015 Committee Meeting Dates. Mr. Lennox seconded. The Draft 2015 Committee Meeting Dates were unanimously approved.

4. Unfinished Business: None

5. New Business

- **Request from Community Foundation of the Low Country regarding future site for Public Art.**

Jayme Lopko, Senior Planner, stated the Committee had before them a request from the Community Foundation of the Lowcountry to add another location for public art. We have 6 previous locations and this one is to allow the Veterans Memorial at Shelter Cove Community Park as a potential site for placement of public art on Hilton Head Island. If they choose a piece to be added there, it would come to Town Council and a specific location would be targeted. At this point it is just approving the actual land of the park as a possible location for art in the future.

After a brief discussion, Mrs. Likins moved the Public Facilities Committee approve the Veterans Park to be one of the sites for public art in the future. Mr. Lennox seconded. The motion was unanimously passed.

- **Request for recommendation to Town Council for approval of the Hilton Head Island Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Program. The five year plan serves as the submission document for federal funds under the CDBG Program, includes strategies to carry out the Town's CDBG program and lists projects to be performed with CDBG funds.**

Marcy Benson, Senior Grants Administrator stated staff requests the Public Facilities Committee recommend to Town Council they approve by resolution the Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Program.

In June 2014 Town staff was notified by the South Carolina office of HUD of the Town's eligibility status to participate in the CDBG Entitlement Program for federal fiscal year 2015. Eligibility in the program is a result of an increase in Town population based on Census data. The Town will receive \$202,347 for federal fiscal year 2015 directly from HUD to benefit low-to-moderate income (LMI) households. There is no local match requirement and the annual allocation can fluctuate each year depending on HUD calculations. A full five-year consolidated plan and one-year action plan must be submitted by May 15, 2015 and accepted by HUD prior to execution of a CDBG Entitlement Program grant agreement. If approved, program funds would be available effective as early as July 1, 2015.

Projects eligible for CDBG funding include but are not limited to: acquisition; public facilities & improvements; clearance and remediation; and public services. The projects do not have to go through a competitive selection process but they must be listed in the program-required five year consolidated plan. To meet minimum HUD requirements the consolidated plan should address community resources and include a housing market analysis, a housing needs assessment, a homeless needs assessment, housing activities, non-housing community development activities, goals & objectives, a citizen participation plan and an annual action plan, which must list the projects intended to be constructed with CDBG funds. Requirements for development of the consolidated plan include:

- Conduct a needs assessment public hearing.
- Draft a five year consolidated plan identifying HUD eligible projects in LMI areas.
- Conduct a 30 day public comment period for the draft consolidated plan.

To meet these requirements the Town held a needs assessment public hearing on November 13, 2014, results of which included many potential eligible activities. The draft plan was completed using the required format in the HUD developed eCon Planning Suite software program, with a recommendation to focus on dirt road paving projects. The 30 day public comment period began February 16, 2015 and comments were accepted through March 18, 2015. All public comments received were in support of the consolidated plan and have been reviewed for common and recurring themes. Public comments received during the comment period and a summary of the comments have been placed in the appendix section of the draft of the consolidated plan.

The consolidated plan was presented at the March 18th Planning Commission meeting. The Committee recommended approval by resolution of the Consolidated Plan. The Planning Commission also requested the execution team to work with the Public Service District on the coordination of sewers, where possible. An additional Planning Commission comment was to recommend coordinating any other utility construction projects with dirt road paving projects listed in the plan in order to maximize construction efforts within project areas. A final review of the consolidated plan is anticipated at an upcoming Town Council meeting to move the plan forward to meet the May 15, 2015 HUD submittal deadline.

Upon submission of the consolidated plan, HUD has 45 days to review the plan. HUD may accept or recommend revisions to the plan. When the plan is ultimately accepted, a grant agreement between HUD and the Town will be executed and funds would be available effective as early as July 1, 2015.

Mr. Edwards asked who made the decision that it would be the road paving and what are some of the other options that money can be used for. Marcy Benson stated when they were told the amount of funding was available to us by HUD, we looked at a variety of projects. Sewer and water projects can be funded with CDBG funds, street lighting, sidewalks, pathways or anything that will benefit LMI areas. They also have parts of the program that can fund programs that will benefit LMI users. That is a little bit different than construction projects. Anything that would be considered public improvement types of projects can be funded with CDBG dollars.

Mr. Lennox asked if there was more than one definition for LMI. Marcy Benson said not with HUD. HUD has one definition. They do break it out into three categories – they consider it extremely low which is 30% of the median county income. Then you have low which is 50% of the median county income and then moderate which is 80%. They have a very fixed definition but within that there are three levels – extremely low, low and moderate.

Mrs. Likins disclosed that she is the Director of the Boys and Girls Club, but wanted to have this conversation because the Boys and Girls Club is on the tract on Gum Tree Road. While I think paving roads is wonderful, I know that it affects a certain number of individuals. When you look at an organization that has a membership of 700, and the majority of those children qualify for free and reduced lunch and are in this category and live in this area, I just wonder if there might not be something program wise that we might consider. I know one of our strategies is an education strategy as far as a goal and we have talked about doing some different things. If this doesn't qualify, please let me know. I am just trying to see if there is a broader way that some of these funds might be able to be used to help accomplish some of the other things as a Council that we have talked about.

Mr. Edwards stated that tied into his question as to who decided on the paved roads and can it be used for other things. Who made the decision to make the paved roads the priority?

Marcy Benson advised that when we conducted the needs assessment meeting in November, there were approximately 25 attendees. During that meeting, we discussed the different types of projects that could be funded with CDBG. We listed them and those attendees voted what their top three were. Although paved roads came out kind of in the middle, sewer was in there and also drainage and stormwater types of projects. There were community facilities in there that were listed as well – a Community Room at Chaplin. There was nothing mentioned that discussed any type of neighborhood or community programming. HUD does fund those types of things. I would have to look more deeply into the exact types of those programs that are available for funding, but taking that list of needs that came out of that meeting into consideration along with the amount of funding available – that is how the dirt roads rose to the top as to what could be funded and what can set us up for success – to be able to complete the projects listed.

Mr. Edwards also mentioned Marcy Benson said it could be amended so if we do some paved roads the first year or two and then maybe shift focus down the road would that be a problem? Ms. Benson said no – even though this is a five year plan, HUD requires an annual report or annual plan to be submitted as well. Included in that annual plan process is the same process that we have taken up to this point – having public meetings, doing needs assessments, etc. If in future meetings it comes out that they want to have different types of projects funded, that could be implemented into the plan. Mrs. Likins asked if the plan could be amended for year one to add something. Ms. Benson said we could add something now since we have not submitted the plan. The plan gets submitted May 15th. If there is something that is needed to be added that can be done prior to submittal.

Mr. Edwards mentioned the Island Rec. Center is in that neighborhood – could improvements at the facilities there be considered or are recreational opportunities that could be used for the Grant at some point? Ms. Benson stated it can but has to be for LMI. Once you get into the programming part there are different ways to measure how you are capturing the beneficiaries instead of through census data. It is through income based surveys. The participants in whatever program you are funding may need to fill out income verification types of surveys so that we can assure that 51% or more of those users are falling into the LMI category. Mr. Edwards said paved roads are important, but as Kim said you affect a very small amount of people. It might be nice to spend some money on something that would affect a larger group.

Mrs. Likins said she agrees that if we have the opportunity to necessarily amend it maybe we want to take a little bit of time and look back at our priorities and see if there is anything we might want to change. Ms. Benson stated that HUD is moving to a soft ware based submittal so even though there is a paper print out, they have a soft ware program that everything must be entered in. This is the first time using the soft ware so I would recommend as early as possible prior to the May 15th deadline that we could have things finalized that would be appreciated.

Ms. Benson said we would submit our plan on May 15th, HUD has 45 days to review it and accept it or review it and send it back for revisions. I would like to anticipate that they accept it and as of July 1st we would have access to those funds. The federal fiscal

year ends September 30th. We then move into 2016. HUD knows that it is not realistic that we could complete a project even in a 12 month timeframe so they give you three years to complete the project. Those funds stay within that year unless an amendment is done to make changes.

Shawn Colin, Deputy Director of Community Development added the Town first became eligible for this Entitlement Program one year previous and Town Council at that point based on previous CDBG experience in giving our last grant back decided not to pursue the entitlement. This summer when it came back to us, Council decided it was time to move forward and pursue this. It does provide a dedicated source of funding every year and cumulatively it gets to be real money. When we were first notified the amount was \$181,000 it was an estimate. In January HUD released the final number of \$202,347. We do have a lot of needs, whether it be housing, sewer, drainage, community services. In previous grant applications where we competed in a competitive pool, we didn't have the qualifying census tract. That is when you had to go back in and do wage verification, income surveys and qualify particular areas. That is where we fell into trouble with the last grant where we had to return the money.

Looking at housing and sewer and some of these larger capital projects that go multiple years and have a much wider impact – they also have larger funding and we didn't want to create a situation where you couldn't fund the entire project with the funding to be had. Also in our meetings with the PSD, they mentioned that installation of sewer in areas that have dirt roads is problematic and unlikely that those areas would be sewered as long as dirt roads were in place. This is an opportunity to also partner with the PSD to make improvements to roads in areas that will serve LMI, but also provide the opportunity to partner with other utility installation in those areas.

Because of the timing, the HUD software program that Marcy mentioned wasn't populated fully until January so we have had a condensed period to get this plan to you. For the first year of meeting the May 15th deadline I would recommend we move forward with at least the first project on the list and then as the Town's needs change we can amend the plan and look at other opportunities for programming or other projects you deem appropriate for the use of these funds.

Mr. Edwards commented it makes sense to move forward with keeping in mind we can amend it if we need to.

Mr. Lennox moved the Public Facilities Committee recommend to Town Council approval of the Hilton Head Island Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Program. The five year plan serves as the submission document for federal funds under the CDBG Program, includes strategies to carry out the Town's CDBG program and lists projects to be performed with CDBG funds. Mrs. Likins seconded but stated she wanted the motion to say that we accept it but we would also like for Town Council to consider looking at some additional projects as well. The motion unanimously passed.

- **Gumtree Sewer Project Easements**

Shea Farrar stated it is staff's recommendation that Town Council authorize the conveyance of permanent easement rights to Hilton Head Island Public Service District (HHPSD) for linear easements across Town property associated with the Gum Tree Sewer Project.

The Gum Tree Sewer Project will expand the availability of sewer service in the unserved area along Gum Tree Road. The new sewer line will be located in the road right-of-way where possible, but there is the need to cross the frontage of three Town-owned properties along Gum Tree Road. HHPSD has requested that the Town grant the conveyance of these permanent easement rights for access to the properties and for the installation and maintenance of sewer infrastructure.

Mr. Lennox moved the Public Facilities Committee recommend to Town Council they authorize the conveyance of permanent easement rights to Hilton head Island Public Service District (HHPSD) for linear easements across Town property associated with the Gum Tree Sewer Project. Mrs. Likins seconded. The motion unanimously passed.

6. Adjournment:

Mrs. Likins moved to adjourn. Mr. Lennox seconded the motion. The meeting was adjourned at 10:40 a.m.

Respectfully Submitted,

Karen D. Knox
Senior Administrative Assistant



TOWN OF HILTON HEAD ISLAND

Public Projects and Facilities Department

TO: Public Facilities Committee
VIA: Scott Liggett, *Director of Public Projects & Facilities*
FROM: Jeff Buckalew, *Town Engineer*
CC: Brian Hulbert, *Staff Attorney*
Susan Simmons, *Finance Director*
DATE April 20, 2015
SUBJECT: Memorandum of Agreement for the Construction and Operation of a Boat Storage Shed at the Rowing and Sailing Center at Squire Pope Community Park

Recommendation:

Staff recommends the Town enter into an agreement with Hilton Head Island Crew for the construction and operation of a boat storage shed located within the fenced storage yard at the Rowing and Sailing Center at Squire Pope Community Park.

Summary:

Hilton Head Island Crew, which operates under the Palmetto Rowing Club, has proposed to fully fund and construct a covered boat storage shed within the fenced storage yard of the park, to provide shelter for rowing shells, oars, small sailing vessels and other equipment. Once constructed, the Town will take over ownership and operation of the structure. Hilton Head Island Crew will pay the Town a monthly fee of \$150.00 to use a portion of the shed and shall be responsible for maintenance costs associated with that portion of the shed. The remaining space will be utilized and managed by the Island Recreation Center. This Memorandum of Agreement (MOA) defines the roles and responsibilities of each party through construction and future use of the facility.

Background:

The Town owns and operates the property and park appurtenances known as the Rowing and Sailing Center at Squire Pope Community Park. The master plan for this park was amended by Town Council in November, 2014 to include the addition of a boat storage shed, of similar size, shape and location as is now being proposed for construction. Hilton Head Island Crew has executed a contract with a licensed and insured local contractor to construct the shed and has escrowed funds with the Town in the amount of the contract price plus a 10% contingency. Hilton Head Island Crew shall be solely responsible for funding the construction. The construction is expected to take 52 days and will be governed by the terms and conditions of the MOA and building permit. The term of the agreement runs through December 31, 2020, but may be terminated by either party with 30 days prior written notice.

Attachments

d. Shall pay all utility bills, to include electric and water, associated with the use of the storage shed.

2. Hilton Head Island Crew

a. Shall obtain all necessary permits and approvals and submit these and the design plans for the storage shed to the Town before the Town will issue a written Notice To Proceed.

b. Shall ensure that a properly licensed general contractor is employed by them to construct the storage shed at the Rowing and Sailing Center at Squire Pope Community Park. The contractor must have a current business license to do business within the Town and general contractor's license issued by the state of South Carolina. Hilton Head Island Crew or general contractor shall ensure that all necessary permits are obtained prior to construction. Hilton Head Island Crew or Contractor must obtain a Builder's Risk insurance policy in the amount of the construction cost for the storage shed.

c. Shall ensure that the contract that they enter into with the general contractor for the construction of the storage shed at the Rowing and Sailing Center at Squire Pope Community Park includes the requirement appropriate liability insurance in an amount not less than One Million dollars (\$1,000,000.00) and appropriate workers compensation policy which name the Town as an additional insured, and a requirement that the construction be completed within fifty-two (52) calendar days once a notice to proceed has been issued by the Town, that the general contractor stay within the approved construction site at the park (as shown in Exhibit A), except for accessing the site through other parts of the park, that construction only occurs between the hours of 7:00 am and 7:00 pm Monday through Friday, and that the contractor shall be responsible to repair or pay for any damages caused to the park. There shall be no weekend or holiday work allowed at the construction site at the park. Hilton Head Island Crew and their general contractor shall be responsible for securing the site during the extent of the construction period and shall ensure that the construction site is maintained in a neat, orderly and safe condition so as to not be an eyesore or safety hazard to the general public.

d. Shall be responsible for the total gross cost of the designing, permitting and construction of the structure. They shall ensure that they have sufficient funds for the construction of the storage shed, to include the structure, any fencing, and any necessary infrastructure or utilities. Sufficient funds must include a minimum of a ten percent contingency fund for change order and quantity overruns over and above the contract price for the cost of construction of the storage shed. Proof of sufficient funds shall be provided to the Director of Public Projects and Facilities prior to final approval to proceed with construction is granted by the Town.

e. Understands that the Town and Island Recreation Association shall not be liable or responsible for any damage, theft, or loss which occurs at the construction site within the Rowing and Sailing Center at Squire Pope Community Park during the construction of the storage shed. Hilton Head Island Crew and general contractor shall indemnify and hold the Town harmless against any claims resulting from construction of the structure at the Park.

f. Construction may not begin until Hilton Head Island Crew receives written authorization to proceed from the Town. All work and materials shall be warranted by the contractor to the Town for a period of one year after substantial completion of the structure.

g. Shall pay the Town a monthly usage fee of One Hundred and Fifty (\$150.00) dollars per month for use of the storage shed at the Rowing and Sailing Center at Squire Pope Community Park. The monthly usage fee shall begin on the first day after issuance of a certificate of occupancy is provided by the Town after the completion of the storage shed. If Hilton Head Island Crew is late more than fifteen (15) days in payment of the monthly usage fee, the Town may revoke or restrict their usage privileges of the storage shed and park as the Town deems appropriate.

h. Shall be responsible for any maintenance costs associated with the areas of the storage shed which is used by Hilton Head Island Crew.

Term

This agreement shall be effective from the date of execution until December 31, 2020. The agreement shall automatically renew each year unless written notice of intent to terminate is received at least 90 days prior to expiration.

3. Termination.

The Town or Hilton Head Island Crew may terminate this Agreement in whole or in part for convenience with thirty (30) days prior written notice.

4. Court Decisions

Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of law, such a determination shall not render void, invalid, or unenforceable any other part of this Agreement.

5. Governed by South Carolina Law

This Agreement has been made and entered into in the State of South Carolina, and the laws of South Carolina shall govern the validity and interpretation of this Agreement in the performance due hereunder.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

Town of Hilton Head Island

WITNESS

WITNESS

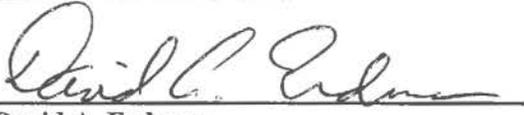
By: _____
Stephen G. Riley, ICMA – CM
Town Manager



WITNESS



WITNESS

Hilton Head Island Crew
By: 

David A. Erdman
President

**PFC BOAT SHED ITEM - EXHIBIT B
CONSTRUCTION CONTRACT**

 **AIA® Document A107™ – 2007**

Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope

APRIL JNX/CEE

AGREEMENT made as of the Fifteenth day of January in the year Two Thousand Fifteen
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Palmetto Rowing Club d/b/a Hilton Head Island Crew Non-Profit Org.
Attn: David A. Erdman
2 Neptune Court
Hilton Head Island, S.C. 29926

and the Contractor:
(Name, legal status, address and other information)

Nix Construction Company Inc. C-Corp
P.O. Box 7667
Hilton Head Island, S.C. 29938-7667
Joseph E. Nix Jr., President

for the following Project:
(Name, location and detailed description)

Rowing Association - Skull Storage Facility
133 Squire Pope Road
Hilton Head Island, S.C.
Storage Shed

The Architect:
(Name, legal status, address and other information)

Lee and Parker Architects
P.O. Box 5010
Hilton Head Island, S.C. 29938

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.

Init.
JNX
CEE

TABLE OF ARTICLES

- 1 THE WORK OF THIS CONTRACT
- 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
- 3 CONTRACT SUM
- 4 PAYMENT
- 5 DISPUTE RESOLUTION
- 6 ENUMERATION OF CONTRACT DOCUMENTS
- 7 GENERAL PROVISIONS
- 8 OWNER
- 9 CONTRACTOR
- 10 ARCHITECT
- 11 SUBCONTRACTORS
- 12 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
- 13 CHANGES IN THE WORK
- 14 TIME
- 15 PAYMENTS AND COMPLETION
- 16 PROTECTION OF PERSONS AND PROPERTY
- 17 INSURANCE & BONDS
- 18 CORRECTION OF WORK
- 19 MISCELLANEOUS PROVISIONS
- 20 TERMINATION OF THE CONTRACT
- 21 CLAIMS AND DISPUTES

ARTICLE 1 THE WORK OF THIS CONTRACT

The Contractor shall execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 2.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

| Date of commencement shall be fixed in a notice to proceed by the Owner

Init.
JMA
1/15/15

§ 2.2 The Contract Time shall be measured from the date of commencement.

ANK [Signature]

52 (fifty two)

§ 2.3 The Contractor shall achieve Substantial Completion of the entire Work not later than ~~80~~ (Eighty) days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)

The date of commencement shall be fixed in a notice to proceed by the Owner.

Portion of Work

Substantial Completion Date

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

Penalty for Late Completion is \$ 200 per day.

ARTICLE 3 CONTRACT SUM

§ 3.1 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 one of the following:

(Check the appropriate box.)

Stipulated Sum, in accordance with Section 3.2 below

Cost of the Work plus the Contractor's Fee, in accordance with Section 3.3 below

Cost of the Work plus the Contractor's Fee with a Guaranteed Maximum Price, in accordance with Section 3.4 below

(Based on the selection above, complete Section 3.2, 3.3 or 3.4 below.)

§ 3.2 The Stipulated Sum shall be \$ 64,900.00 (\$ Sixty Four Thousand Nine Hundred and 00/100), subject to additions and deductions as provided in the Contract Documents.

§ 3.2.1 The Stipulated Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

§ 3.2.2 Unit prices, if any:

(Identify and state the unit price, and state the quantity limitations, if any, to which the unit price will be applicable.)

| Item | Units and Limitations | Price Per Unit (\$0.00) |
|------|-----------------------|-------------------------|
|------|-----------------------|-------------------------|

§ 3.2.3 Allowances included in the stipulated sum, if any:

(Identify allowance and state exclusions, if any, from the allowance price.)

| Item | Allowance |
|---------------------------------|-----------|
| Modifications to existing fence | \$ 2,000 |
| Installation of two Hose Bibbs | \$ 1,200 |

Init.
ANK
[Signature]

§ 3.3 COST OF THE WORK PLUS CONTRACTOR'S FEE

§ 3.3.1 The Cost of the Work is as defined in Exhibit A, Determination of the Cost of the Work.

§ 3.3.2 The Contractor's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee and the method of adjustment to the Fee for changes in the Work.)

§ 3.4 COST OF THE WORK PLUS CONTRACTOR'S FEE WITH A GUARANTEED MAXIMUM PRICE

§ 3.4.1 The Cost of the Work is as defined in Exhibit A, Determination of the Cost of the Work.

§ 3.4.2 The Contractor's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee and the method of adjustment to the Fee for changes in the Work.)

§ 3.4.3 GUARANTEED MAXIMUM PRICE

§ 3.4.3.1 The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed (\$), subject to additions and deductions by changes in the Work as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner. *(Insert specific provisions if the Contractor is to participate in any savings.)*

§ 3.4.3.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

§ 3.4.3.3 Unit Prices, if any:

(Identify and state the unit price, and state the quantity limitations, if any, to which the unit price will be applicable.)

| Item | Units and Limitations | Price Per Unit (\$0.00) |
|------|-----------------------|-------------------------|
|------|-----------------------|-------------------------|

§ 3.4.3.4 Allowances included in the Guaranteed Maximum Price, if any:

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

| Item | Allowance |
|------|-----------|
|------|-----------|

§ 3.4.3.5 Assumptions, if any, on which the Guaranteed Maximum Price is based:

ARTICLE 4 PAYMENTS

§ 4.1 PROGRESS PAYMENTS

§ 4.1.1 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.

§ 4.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 4.1.3 Provided that an Application for Payment is received by the Architect not later than the 29th day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the 10th day of the next month. If an Application for Payment is received by the Architect after the date fixed above, payment shall be made by the Owner not later than 10 (Ten) days after the Architect receives the Application for Payment.
(Federal, state or local laws may require payment within a certain period of time.)

§ 4.1.4 Retainage, if any, shall be withheld as follows:

Ten Percent Retainage will be held on Partial Draws. Retainage Balance is due upon completion.

§ 4.1.5 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.
(Insert rate of interest agreed upon, if any.)

%

§ 4.2 FINAL PAYMENT

§ 4.2.1 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 Section 18.2, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the contractor has submitted a final accounting for the Cost of the Work, where payment is on the basis of the Cost of the Work with or without a guaranteed maximum price; and
- .3 a final Certificate for Payment has been issued by the Architect.

§ 4.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

ARTICLE 5 DISPUTE RESOLUTION

§ 5.1 BINDING DISPUTE RESOLUTION

For any claim subject to, but not resolved by, mediation pursuant to Section 21.3, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, claims will be resolved in a court of competent jurisdiction.)

Arbitration pursuant to Section 21.4 of this Agreement

Litigation in a court of competent jurisdiction

Other *(Specify)*

ARTICLE 6 ENUMERATION OF CONTRACT DOCUMENTS

§ 6.1 The Contract Documents are defined in Article 7 and, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 6.1.1 The Agreement is this executed AIA Document A107-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope.

§ 6.1.2 The Supplementary and other Conditions of the Contract:

AIA Document A107™ – 2007. Copyright © 1936, 1951, 1958, 1961, 1963, 1966, 1970, 1974, 1978, 1987, 1997 and 2007 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 17:38:54 on 01/15/2015 under Order No.2233383088_1 which expires on 12/02/2015, and is not for resale.

User Notes:

(1800960089)

Init.
JMX
C. Lee

| Document | Title | Date | Pages |
|----------|-------|------|-------|
|----------|-------|------|-------|

§ 6.1.3 The Specifications:

(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Specifications for Project are noted on Lee and Parker Plans dated June 02, 2014, Sheets C.0, A.1, A.2, A.3

| Section | Title | Date | Pages |
|---------|-------|------|-------|
|---------|-------|------|-------|

§ 6.1.4 The Drawings:

(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

| Number | Title | Date |
|--------|--------------------|---------------|
| C.0 | Cover page | June 02, 2014 |
| A.1 | Site Building plan | June 02, 2014 |
| A.2 | Sections | June 02, 2014 |
| A.3 | Sections | June 02, 2014 |

§ 6.1.5 The Addenda, if any:

| Number | Date | Pages |
|--------|------|-------|
|--------|------|-------|

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are enumerated in this Article 6.

§ 6.1.6 Additional documents, if any, forming part of the Contract Documents:

- .1 Exhibit A, Determination of the Cost of the Work, if applicable.
- .2 AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed, or the following:

- .3 Other documents:

(List here any additional documents that are intended to form part of the Contract Documents.)

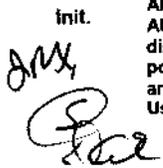
ARTICLE 7 GENERAL PROVISIONS

§ 7.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in Article 6 and consist of this Agreement (including, if applicable, Supplementary and other Conditions of the Contract), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement. 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. 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 to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 7.2 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

init.


construed to create a contractual relationship of any kind between any persons or entities other than the Owner and the Contractor.

§ 7.3 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.

§ 7.4 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.

§ 7.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 7.5.1 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 will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment 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 this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 7.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them 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 material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 7.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmission, unless otherwise provided in the Agreement or in the Contract Documents.

ARTICLE 8 OWNER

§ 8.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 8.1.1 The Owner shall furnish all necessary surveys and a legal description of the site.

§ 8.1.2 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.

§ 8.1.3 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 9.6.1, the Owner shall secure and pay for other necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 8.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents, or repeatedly fails to carry out the 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 is 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.

§ 8.3 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 ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner, without prejudice to any other remedy the Owner may

have, may correct such deficiencies and may deduct the reasonable cost thereof, including Owner's expenses and compensation for the Architect's services made necessary thereby, from the payment then or thereafter due the Contractor.

ARTICLE 9 CONTRACTOR

§ 9.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 9.1.1 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.

§ 9.1.2 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 information furnished by the Owner pursuant to Section 8.1.1, 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 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.

§ 9.1.3 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.

§ 9.2 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 9.2.1 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, unless the Contract Documents give other specific instructions concerning these matters.

§ 9.2.2 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.

§ 9.3 LABOR AND MATERIALS

§ 9.3.1 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.

§ 9.3.2 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 skilled in tasks assigned to them.

§ 9.3.3 The Contractor may make a substitution only with the consent of the Owner, after evaluation by the Architect and in accordance with a Modification.

§ 9.4 WARRANTY

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 under normal usage.

§ 9.5 TAXES

The Contractor shall pay sales, consumer, use and other similar taxes that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 9.6 PERMITS, FEES, NOTICES, AND COMPLIANCE WITH LAWS

§ 9.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as 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.

§ 9.6.2 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. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 9.7 ALLOWANCES

The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. The Owner shall select materials and equipment under allowances with reasonable promptness. Allowance amounts shall include the costs to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts. Allowance amounts shall not include the Contractor's costs for unloading and handling at the site, labor, installation, overhead, and profit.

§ 9.8 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 9.8.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 9.8.2 The Contractor shall perform the Work in general accordance with the most recent schedule submitted to the Owner and Architect.

§ 9.9 SUBMITTALS

§ 9.9.1 The Contractor shall review for compliance with the Contract Documents and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in coordination with the Contractor's construction schedule and in such sequence as to allow the Architect reasonable time for review. 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. The Work shall be in accordance with approved submittals.

§ 9.9.2 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.

§ 9.10 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.

§ 9.11 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 9.12 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material from and about the Project.

§ 9.13 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 such 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 the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 9.14 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 9.15 INDEMNIFICATION

§ 9.15.1 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 9.15.1.

§ 9.15.2 In claims against any person or entity indemnified under this Section 9.15 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 9.15.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 10 ARCHITECT

§ 10.1 The Architect will provide administration of the Contract and will be an Owner's representative during construction, until the date the Architect issues the final Certificate for Payment. The Architect will have 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.

§ 10.2 The Architect will visit the site at intervals appropriate to the stage of the construction to become generally familiar with the progress and quality of the portion of the Work completed, 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. The Architect will not have control over, charge of, or responsibility for, the 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.

§ 10.3 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 report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform 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.

Init.
JAX
Stace

§ 10.4 Based on the Architect's evaluations 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.

§ 10.5 The Architect has authority to reject Work that does not conform to the Contract Documents and to require inspection or testing of the Work.

§ 10.6 The Architect will 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.

§ 10.7 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect will make initial decisions on all claims, disputes and other matters in question between the Owner and Contractor but will not be liable for results of any interpretations or decisions rendered in good faith.

§ 10.8 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 10.9 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.

ARTICLE 11 SUBCONTRACTORS

§ 11.1 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.

§ 11.2 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of the Subcontractors or suppliers for each of the principal portions of the Work. The Contractor shall not contract with any Subcontractor or supplier to whom the Owner or Architect has made reasonable written objection within ten days after receipt of the Contractor's list of Subcontractors and suppliers. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 11.3 Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the 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, which the Contractor, by the Contract Documents, assumes toward the Owner and Architect, and (2) allow the Subcontractor the benefit of all rights, remedies and redress against the Contractor that the Contractor, by these Contract Documents, has against the Owner.

ARTICLE 12 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 12.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to these, including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such claim as provided in Article 21.

§ 12.2 The Contractor shall afford the Owner and separate contractor's reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's activities with theirs as required by the Contract Documents.

Init.

AIA Document A107™ – 2007. Copyright © 1936, 1951, 1956, 1961, 1963, 1966, 1970, 1974, 1978, 1987, 1997 and 2007 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 17:38:54 on 01/15/2015 under Order No.2233383088_1 which expires on 12/02/2015, and is not for resale.

User Notes:

(1800960089)

§ 12.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

ARTICLE 13 CHANGES IN THE WORK

§ 13.1 By appropriate Modification, changes in the Work may be accomplished after execution of the Contract. The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, with the Contract Sum and Contract Time being adjusted accordingly. Such changes in the Work shall be authorized by written Change Order signed by the Owner, Contractor and Architect, or by written Construction Change Directive signed by the Owner and Architect.

§ 13.2 Adjustments in the Contract Sum and Contract Time resulting from a change in the Work shall be determined by mutual agreement of the parties or, in the case of a Construction Change Directive signed only by the Owner and Architect, by the Contractor's cost of labor, material, equipment, and reasonable overhead and profit, unless the parties agree on another method for determining the cost or credit. Pending final determination of the total cost of a Construction Change Directive, the Contractor may request payment for Work completed pursuant to the Construction Change Directive. The Architect will make an interim determination of the amount of payment due for purposes of certifying the Contractor's monthly Application for Payment. When the Owner and Contractor agree on adjustments to the Contract Sum and Contract Time arising from a Construction Change Directive, the Architect will prepare a Change Order.

§ 13.3 The Architect will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

§ 13.4 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be equitably adjusted as mutually agreed between the Owner and Contractor; provided that the Contractor provides notice to the Owner and Architect promptly and before conditions are disturbed.

ARTICLE 14 TIME

§ 14.1 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.

§ 14.2 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 14.3 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 14.4 The date of Substantial Completion is the date certified by the Architect in accordance with Section 15.4.3.

§ 14.5 If the Contractor is delayed at any time in the commencement or progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties or any causes beyond the Contractor's control, or by other causes which the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine, subject to the provisions of Article 21.

ARTICLE 15 PAYMENTS AND COMPLETION

§ 15.1 APPLICATIONS FOR PAYMENT

§ 15.1.1 Where the Contract is based on a Stipulated Sum or the Cost of the Work with a Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values, allocating the entire Contract Sum to the various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used in reviewing the Contractor's Applications for Payment.

init.
SMA.
⑤ ②

§ 15.1.2 With each Application for Payment where the Contract Sum is based upon the Cost of the Work, or the Cost of the Work with a Guaranteed Maximum Price, the Contractor shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor, less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

§ 15.1.3 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 stored, and protected from damage, off the site at a location agreed upon in writing.

§ 15.1.4 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 other encumbrances adverse to the Owner's interests.

§ 15.2 CERTIFICATES FOR PAYMENT

§ 15.2.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 15.2.3.

§ 15.2.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluations of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. 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. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. 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 material 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.

§ 15.2.3 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 15.2.2 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 15.2.1. If the Contractor and the 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 9.2.2, 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 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.

Init.

AIA Document A107™ – 2007. Copyright © 1936, 1951, 1958, 1961, 1963, 1966, 1970, 1974, 1978, 1987, 1997 and 2007 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 17:38:54 on 01/15/2015 under Order No.2233383088_1 which expires on 12/02/2015, and is not for resale.

User Notes:

(1800960089)

DNK
②
P22

§ 15.2.4 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 15.3 PROGRESS PAYMENTS

§ 15.3.1 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment, 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 similar manner.

§ 15.3.2 Neither the Owner nor Architect shall have an obligation to pay or see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 15.3.3 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.

§ 15.4 SUBSTANTIAL COMPLETION

§ 15.4.1 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.

§ 15.4.2 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. 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.

§ 15.4.3 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. When the Architect determines that the Work or designated portion thereof is substantially complete, the Architect will issue a Certificate of Substantial Completion which 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.

§ 15.4.4 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 15.5 FINAL COMPLETION AND FINAL PAYMENT

§ 15.5.1 Upon receipt of the Contractor's written 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 and, 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 on-site visits and inspections, the Work has been completed in accordance with terms and conditions of 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 stated in Section 15.5.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 15.5.2 Final payment shall not become due until the Contractor has delivered to the Owner a complete release of all liens arising out of this Contract or receipts in full covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien 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 such lien, including costs and reasonable attorneys' fees.

Init.

AIA Document A107™ - 2007. Copyright © 1936, 1951, 1958, 1961, 1963, 1966, 1970, 1974, 1978, 1987, 1997 and 2007 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 17:38:54 on 01/15/2015 under Order No.2233383088_1 which expires on 12/02/2015, and is not for resale.

User Notes:

(1800960089)

JNA

(S) [Signature]

- § 15.5.3 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; or
 - .3 terms of special warranties required by the Contract Documents.

§ 15.5.4 Acceptance of final payment by the Contractor, a Subcontractor or material 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.

ARTICLE 16 PROTECTION OF PERSONS AND PROPERTY

§ 16.1 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. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .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 or the Contractor's Subcontractors or Sub-subcontractors; 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.

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 and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property 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 16.1.2 and 16.1.3, except for damage or loss attributable to acts or omissions of the Owner or Architect 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 9.15.

§ 16.2 HAZARDOUS MATERIALS

§ 16.2.1 The Contractor is responsible for compliance with the requirements of the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not 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 report the condition to the Owner and Architect in writing. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shutdown, delay and start-up.

§ 16.2.2 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 16.2.1 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.

§ 16.2.3 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 the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

Init.

AIA Document A107™ – 2007. Copyright © 1936, 1951, 1958, 1961, 1963, 1966, 1970, 1974, 1978, 1987, 1997 and 2007 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 17:38:54 on 01/15/2015 under Order No.2233383088_1 which expires on 12/02/2015, and is not for resale.

User Notes:

(1800960089)

ARTICLE 17 INSURANCE AND BONDS

§ 17.1 The Contractor shall purchase from, and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and claims for damages, other than to the Work itself, to property which may arise out of or result from the Contractor's operations and completed operations under the Contract, whether such operations be by the Contractor or by a Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to the Contractor's obligations under Section 9.15. Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. The Contractor shall cause the commercial liability coverage required by the Contract Documents 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 during the Contractor's completed operations.

§ 17.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 17.3 PROPERTY INSURANCE

§ 17.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance on an "all-risk" or equivalent policy form, including builder's risk, in the amount of the initial Contract Sum, plus the value of subsequent modifications and cost of materials supplied and installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 15.5 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 17.3.1 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and sub-subcontractors in the Project.

§ 17.3.2 The Owner shall file a copy of each policy with the Contractor before an exposure to loss may occur. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 17.3.3 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, and (2) the Architect, Architect's consultants, separate contractors described in Article 12, 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 covered by property insurance obtained pursuant to Section 17.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 12, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation 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 in the property damaged.

§ 17.3.4 A loss insured under the Owner's property insurance 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. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their sub-subcontractors in similar manner.

§ 17.4 PERFORMANCE BOND AND PAYMENT BOND

§ 17.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 17.4.2 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.

ARTICLE 18 CORRECTION OF WORK

§ 18.1 The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. 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, unless compensable under Section A.2.7.3 in Exhibit A, Determination of the Cost of the Work.

§ 18.2 In addition to the Contractor's obligations under Section 9.4, 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 15.4.3, or by terms of an 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 after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner 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.

§ 18.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 8.3.

§ 18.4 The one-year period for correction of Work 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 completion of that portion of the Work.

§ 18.5 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Article 18.

ARTICLE 19 MISCELLANEOUS PROVISIONS

§ 19.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract without written consent of the other, except that 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 such assignment.

§ 19.2 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located, except, that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 21.4.

§ 19.3 TESTS AND INSPECTIONS

Tests, inspections and approvals of portions of the Work required by the Contract Documents or by applicable laws, statutes, or ordinances, codes, rules and regulations or lawful orders of public authorities shall be made at an appropriate time. Unless otherwise provided, the Contractor 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. 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 such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are

AM
S

received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating the costs to the Contractor.

§ 19.4 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement 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 19.4.

ARTICLE 20 TERMINATION OF THE CONTRACT

§ 20.1 TERMINATION BY THE CONTRACTOR

If the Architect fails to certify payment as provided in Section 15.2.1 for a period of 30 days through no fault of the Contractor, or if the Owner fails to make payment as provided in Section 4.1.3 for a period of 30 days, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 20.2 TERMINATION BY THE OWNER FOR CAUSE

§ 20.2.1 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 for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .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.

§ 20.2.2 When any of the above reasons exists, the Owner, upon certification by the Architect that sufficient cause exists to justify such action, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon 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.

§ 20.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 20.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 20.2.4 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 Architect, upon application, and this obligation for payment shall survive termination of the Contract.

§ 20.3 TERMINATION BY THE OWNER FOR CONVENIENCE

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 21 CLAIMS AND DISPUTES

§ 21.1 Claims, disputes and other matters in question arising out of or relating to this Contract, including those alleging an error or omission by the Architect but excluding those arising under Section 16.2, shall be referred initially to the Architect for decision. Such matters, except those waived as provided for in Section 21.8 and Sections 15.5.3 and 15.5.4, shall, after initial decision by the Architect or 30 days after submission of the matter to the Architect, be subject to mediation as a condition precedent to binding dispute resolution.

Init.

§ 21.2 If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 21.3 The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with their 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 this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the binding dispute resolution 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, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 21.4 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 the Construction Industry Arbitration Rules in effect on the date of this Agreement. 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 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.

§ 21.5 Either party, at its sole discretion, 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).

§ 21.6 Any party to an arbitration 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 a Claim not described in the written Consent.

§ 21.7 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.

§ 21.8 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

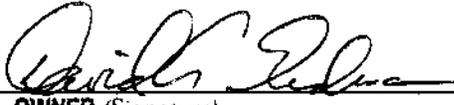
- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the 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.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 20. Nothing contained in this Section 21.8 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

Init.

OH
E

This Agreement entered into as of the day and year first written above.



OWNER (Signature)

David Erdman Authorized Agent
(Printed name and title)



CONTRACTOR (Signature)

Joseph E. Nix Jr. President
(Printed name and title)

Init.
dw,




THE PROFESSIONAL BLD., # 203
P.O. BOX 7667, H.H. IS. S.C. 29938
PH. 843-341-2330 FX. 843-341-2320
EMAIL: joenix@nixconstruction.com

CONTRACT EXHIBIT A

January 15, 2015

Mr. Luther Strayer III
2 Wild Laurel lane
Hilton Head Island, SC 29926

Re: Open Air Shell Storage facility
Town Sailing and Rowing Center

Dear Lou,

This is the contract proposal for the construction of the Storage Facility as designed by Lee and Parker Architects. The plans we quoted from are dated June 02, 2014, Sheets C.0, A.1, A.2, A.3. We were issued no site plans, but our understanding is that this storage shed will be located inside the existing fenced in gravel area. Our bid proposal does not include any site work outside of the footprint of the new shed. Please review our proposal and let me know if you have any questions.

Scope of work – Rowing Shell Storage Facility

1. Provide all necessary general conditions required to complete the work in a supervised, safe and timely manner.
2. Construct the new storage facility per the plans provided by Lee and Parker.
3. Provide final Certificate of completion from Town of Hilton Head.

Cost of the Work

1. Total cost of Construction is.....\$ 64,900.00

Allowances included in the Bid

1. We have included \$ 1,200 in our bid price to install two frost proof hose bibs. We are unable to nail down an exact cost without plumbing plans and existing line locations.
2. The allowance included for modifications to the existing chain link fence is \$ 2,000.

Qualifications

1. Price is good for 45 days.
2. 3rd Party testing is not included.
3. Bonds are not included.
4. Existing stone gravel will be left on site, not hauled off.

dw
S
Q

5. Painting of the structure is not included.
6. The electrical price is based on work starting at the pedestal junction Box near the front of the storage shed.
7. Pricing for support posts is based on virgin soils with no underground obstructions or utilities in the path of the new support posts.
8. Ventilation fans are not included, only junction boxes.

Deposit / Draws

1. Deposit required with the contract amount is \$ 5,000.
2. Balance is due upon completion.

Schedule

1. Obtain a Town Bld. Permit – 10 days.
2. Complete the Project – 80 calendar days after notice to proceed

Owners Approval and Acceptance:

Sign: _____ *Luther M. Granger* 16 Jan 2015
Date: 4/15/15

End of ProposalJoe Nix., President - Nix Const. Co. Inc. 01-15-15

JNX

JW.
(2)

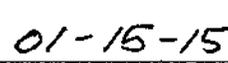
Certification of Document's Authenticity

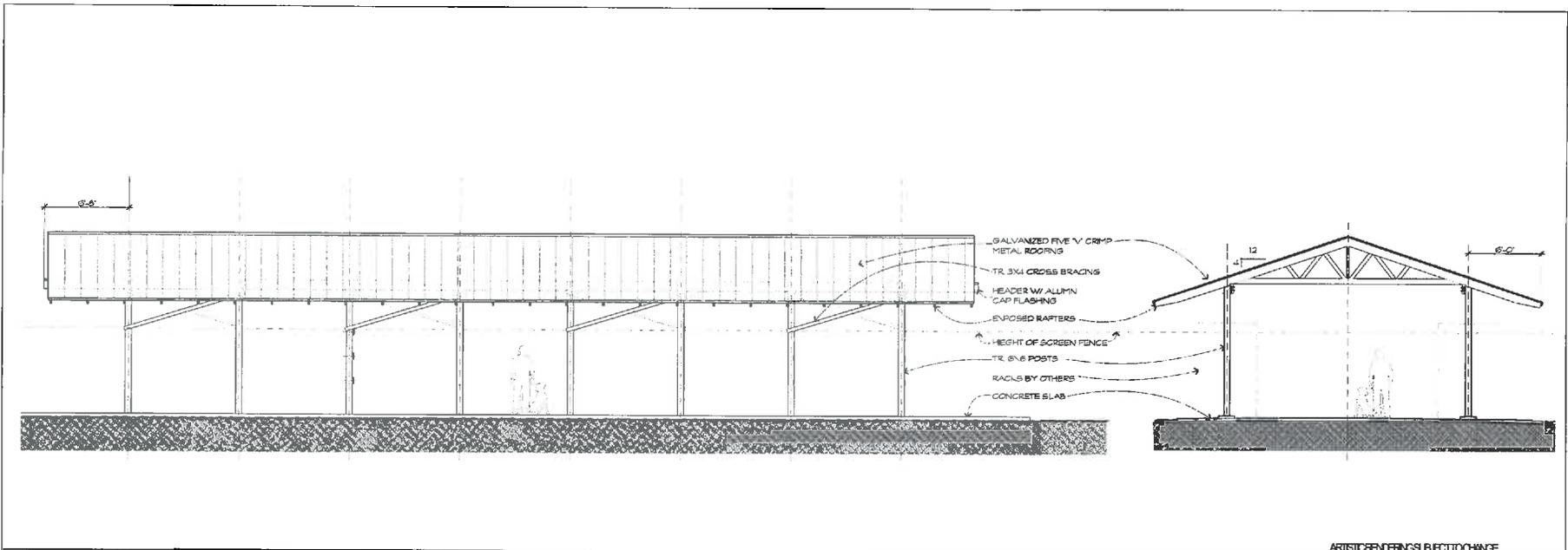
AIA® Document D401™ – 2003

I, Joseph E. Nix Jr., 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 17:38:54 on 01/15/2015 under Order No. 2233383088_1 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A107™ – 2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope, 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)



ARTIST RENDERING SUBJECT TO CHANGE

A NEW ROWING SHELL STORAGE FACILITY

INDEX OF DRAWINGS:

- ARCHITECTURAL:**
 CS-1 COVER SHEET
 A-1 SITE & FLOOR PLAN
 A-2 BUILDING ELEVATIONS
 A-3 BUILDING SECTION

DESIGN CRITERIA

DESCRIPTION:
 A ROOFED OPEN AIR ROWING SHELL STORAGE FACILITY
 Design Criteria for Code Compliance as of: IBC 2012
 Occupancy: UTILITY
 Type of Construction: S --Protected/Unprotected
 Sprinkler: NO
 ALLOWABLE BUILDING AREAS (Table 503):
 Gross outside of walls including covered exterior stairs

| Building Floor Areas | Actual | Floor | Allowed |
|----------------------|--------|---------|---------|
| 1st Floor = | | Floor = | NA |
| 2nd Floor = | NA | Floor = | NA |
| Total = | | Total = | |

Allowable Areas Increase: NA

LEE & PARKER

architects

Post Office Box 5010
 Hilton Head Island
 South Carolina
 29938
 843.785.5171



A new facility for:
HILTON HEAD ISLAND ROWING & SAILING
 Hilton Head Island, S. C.

| REVISIONS | DATE |
|-----------|------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

DRAWN BY
 ID
 CHECKED BY
 JLP
 DATE OF ISSUE:
 04/14/15
 SCALE
 JOB NO.
 0000
 SHEET

C.0
 OF SHEETS

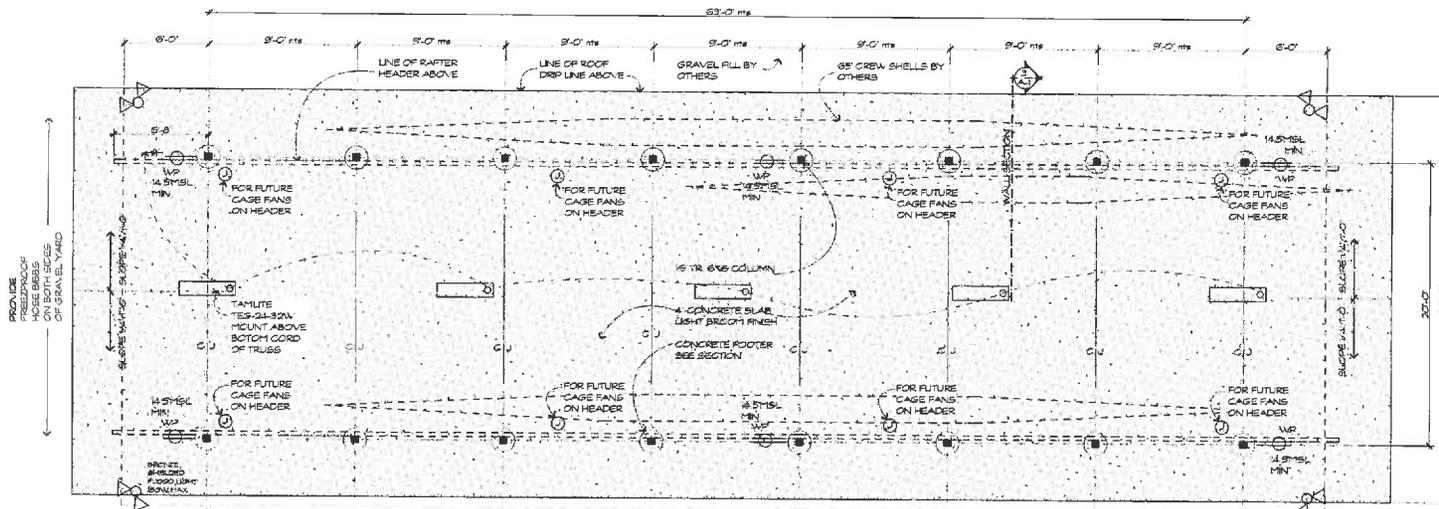
LEE & PARKER

architects

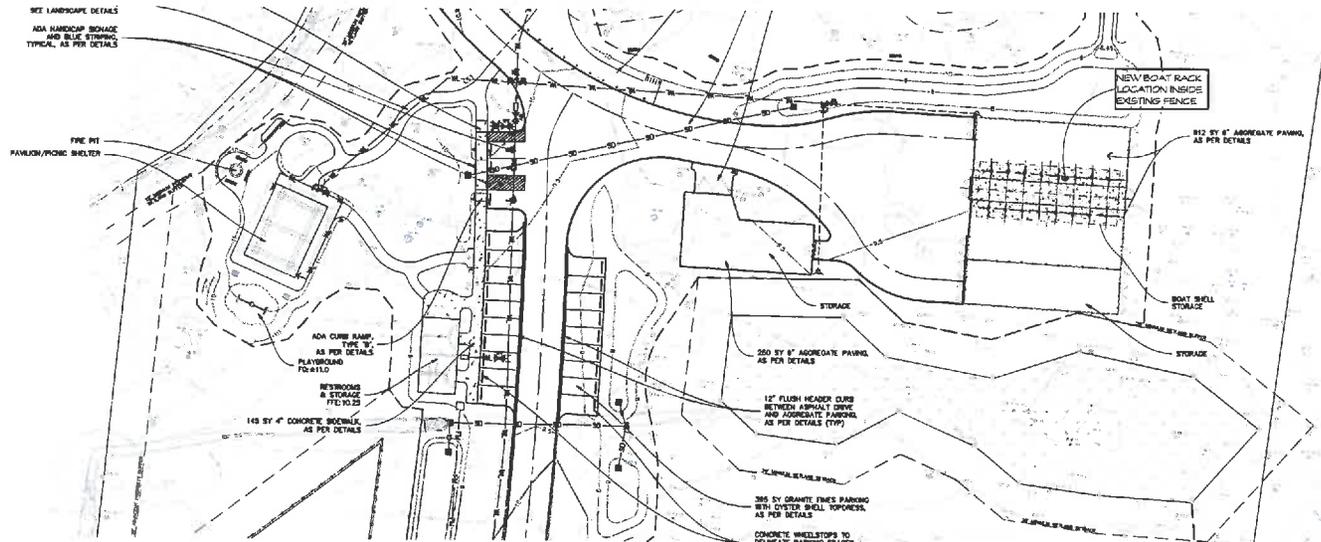
Post Office Box 5010
Hilton Head Island
South Carolina
29938
843.785.5171



A new facility for:
HILTON HEAD ISLAND ROWING & SAILING
Hilton Head Island, S. C.



BUILDING PLAN
SCALE: 1/4" = 1'-0"



SITE LOCATION
SCALE: 1" = 30'-0"

| REVISIONS | DATE |
|-----------|------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

DRAWN BY:
JTD
CHECKED BY:
JTD
DATE OF REVISION:
04/14/15
SCALE:
JOB NO:
0000
SHEET

A.1
OF SHEET

LEE & PARKER

architects

Post Office Box 5010
Hilton Head Island
South Carolina
29938
843.785.5171

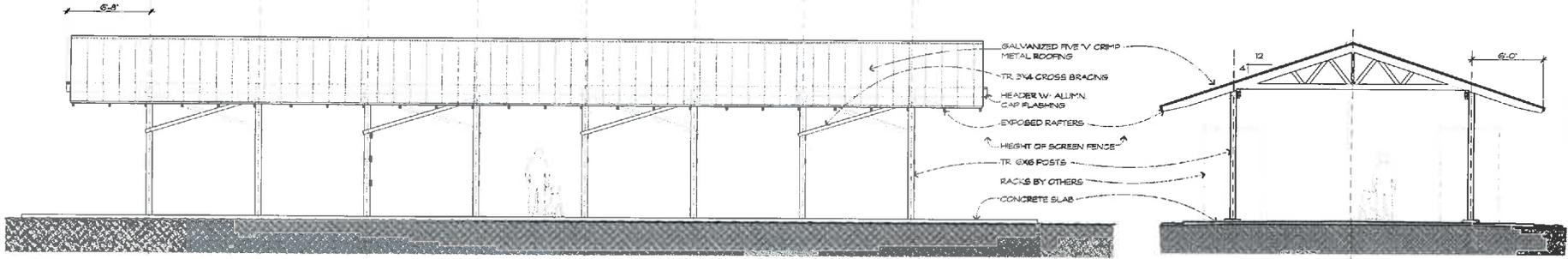


A new facility for:
HILLOWING & SAILING
Hilton Head Island, S. C.

| REVISIONS | DATE |
|-----------|------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

DRAWN BY
TP
CHECKED BY
TP
DATE OF ISSUE:
04/14/15
SCALE
JOB NO.
DOCC
SHEET

A.2
OF SHEETS

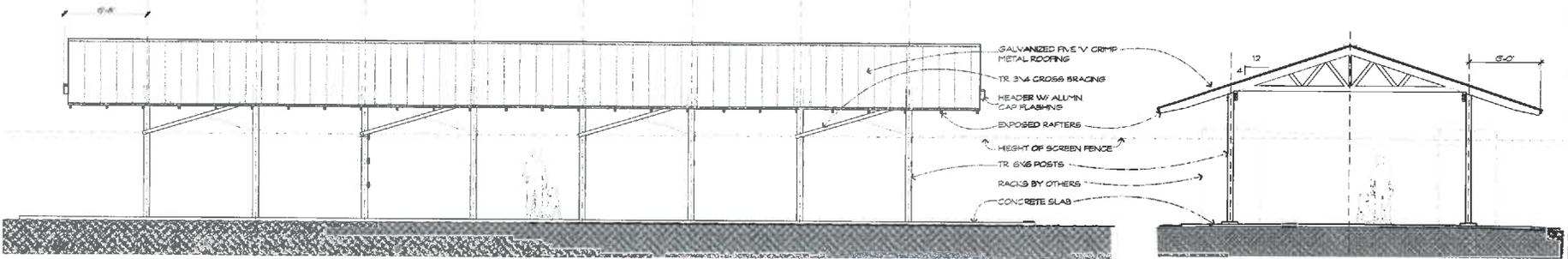


LEFT SIDE ELEVATION
SCALE: 1/4"=1'-0"

1
A-2

FRONT ELEVATION
SCALE: 1/4"=1'-0"

2
A-2



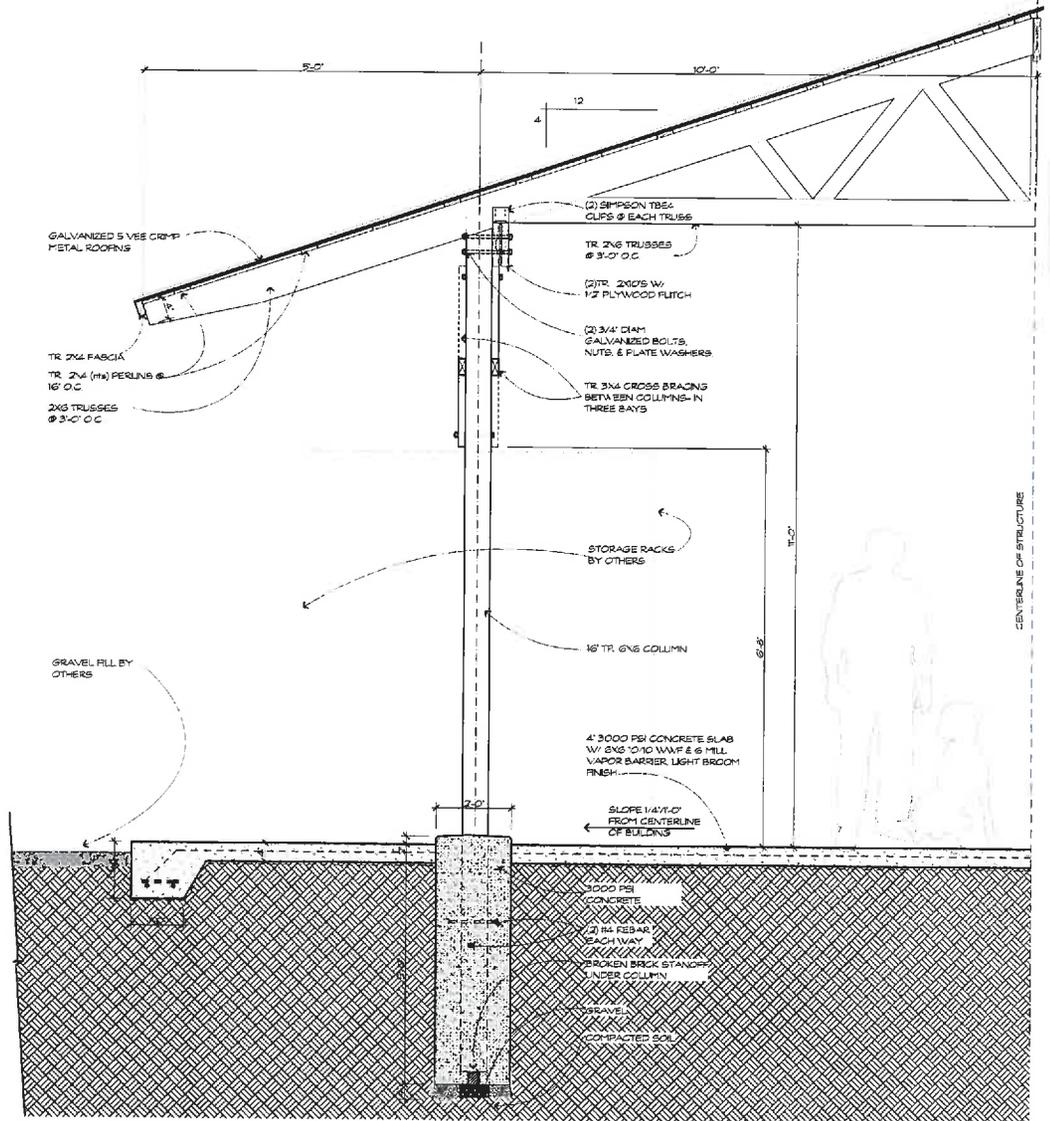
RIGHT SIDE ELEVATION
SCALE: 1/4"=1'-0"

3
A-2

REAR ELEVATION
SCALE: 1/4"=1'-0"

4
A-2

| | | |
|---|--|-------------------|
| SHELL RACKING SYSTEM HILTON HEAD ISLAND, S.C. 02/14/15 | | 1/2 |
| WIND RESISTANCE CALCULATIONS:  | | PLAN |
| GENERAL: REFERENCE: IBC 2012 V _s = 130 M.P.H. ASCE/SEI 7.10 EXPOSURE CAT. C I = 1.0 ROOF PITCH = 4:12 DESIGN LOADS: 20PSF LL 15PSF DL | | GENERAL |
| UPLIFT: USE 35W/50, FT. (EXCEEDS CODE) RAFTERS TO PLATE: UPLIFT = (3072-2)35712" PER FT. (35-15W/50, FT. D.LOAD) = 450W USE (2) SIMPSON TBE4 CLIPS RATED @ 850 ^{lb} = 1,700W TOTAL > 450W O.K. | | UPLIFT |
| BOLTS: MAIN FRAME CONNECTIONS: DBL., A325 3/4" DIAM. GALVANIZED THROUGH BOLTS @ (16) 6X6 TR. WOOD COLUMNS RATED @ 12 KIPS EA. 15X12, 2000' > 192,000' O.K. | | |
| SHELL RACKING SYSTEM HILTON HEAD ISLAND, S.C. 02/14/15 | | 2/2 |
| HOLD DOWNS: REQUIRED LOAD = 450W x 21 TRUSSES = 9,450W UP (16) COLUMNS EMBEDDED IN CONCRETE, 9040/18-630W PER COLUMN 2'-0" X 2'-0" X 5'-0" CONC. FOOTERS @ 145 P/C-F-2500W'S > 590W'S O.K. | | HOLD DOWNS |
| COLUMNS: L = 11'-0" SPACING @ AVERAGE OF 9'-0" O.C. DEF. ALLOWED 11/37360" = .03" O.K. | | STABILITY COLUMNS |
| STABILITY: STABILITY PROVIDED BY FIXED BASE COLUMN & 3/4" CROSS BRACING & 3/4" DIAM THROUGH BOLTS @ EVERY OTHER BAY | | STABILITY COLUMNS |
| RAFTERS/TRUSSES: SLOPE 4:12 NO CALCULATIONS REQUIRED AS SLOPE IS LESS THAN 7/12 | | RAFTERS |
| END OF CALCULATIONS: | | |



BUILDING SECTION + DETAIL
SCALE 1/2"=1'-0"

LEE & PARKER
architects
Post Office Box 5010
Hilton Head Island
South Carolina
29938
843.785.5171

HHI ROWING & SAILING
Hilton Head Island, S. C.

A new facility for:

| REVISIONS | DATE |
|-----------|------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

DRAWN BY: []
CHECKED BY: []
DATE OF ISSUE: []
SCALE: []
JOB NO: 0000
SHEET: 1/1

A.3
OF 1 SHEETS



TOWN OF HILTON HEAD ISLAND

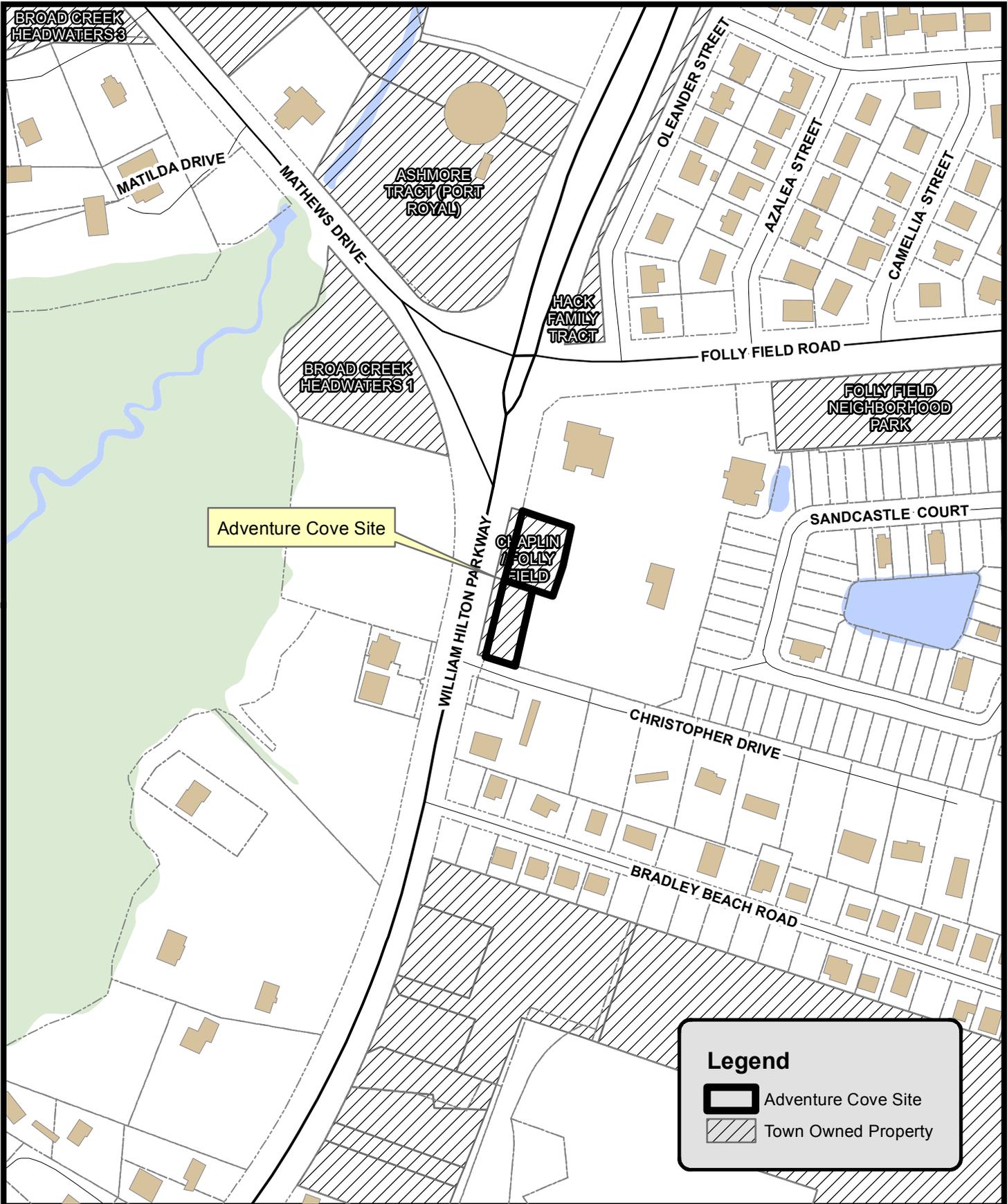
Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
FROM: Charles Cousins, AICP, *Community Development Director*
DATE: April 21, 2015
SUBJECT: Adventure Cove Request to Purchase Town Land

Recommendation: Staff recommends the Public Facilities Committee recommend to Town Council the sale of two Town parcels of land totaling .59 acres to the owners of Adventure Cove. Staff further recommends the sale of this property include a limitation that the property may only be landscaped and be used for signage if allowed by the LMO and no density allocation is included with the purchase.

Summary: The Town has received a request from the owners of Adventure Cove to purchase approximately .59 acres of Town land located between their development and US 278. The property under consideration is made up of two Town parcels. One parcel is .34 acres and the second is .25 acres for a total of .59 acres. The Adventure Cove owners are interested in landscaping both of these parcels and placing a sign for their development on US 278. They have no desire to acquire any of the development rights for these two parcels.

Background: The funding source for the acquisition of both of these parcels was bond referendum funds. The first, a .34 acre parcel of land, was acquired by the Town in 2013 for \$200,000. The parcel included a vacant real estate office that has been demolished since our purchase. The second parcel, which is approximately .25 acres, is the remnant of a much larger parcel the Town once owned. The majority of this much larger parcel was traded to the previous owners of Adventure Cove for a parcel located along Folly Field Road. As part of this land swap, the Town retained this .25 acre parcel to maintain a buffer along US 278. Selling this land with the limitations as requested by the owners of Adventure Cove will allow this property to remain as a green site buffering US 278. This will still allow the property to meet the Town's intent when it was acquired while eliminating any maintenance cost for the property. Representatives of the shopping center have suggested a purchase price which staff can discuss in executive session.



Adventure Cove Site

Legend

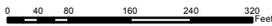
-  Adventure Cove Site
-  Town Owned Property

Town of Hilton Head Island

Adventure Cove Site

TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600

04/21/2015



1 inch = 250 feet



This information has been compiled from a variety of unverified general sources at various times and as such is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion.



TOWN OF HILTON HEAD ISLAND

Community Development Department

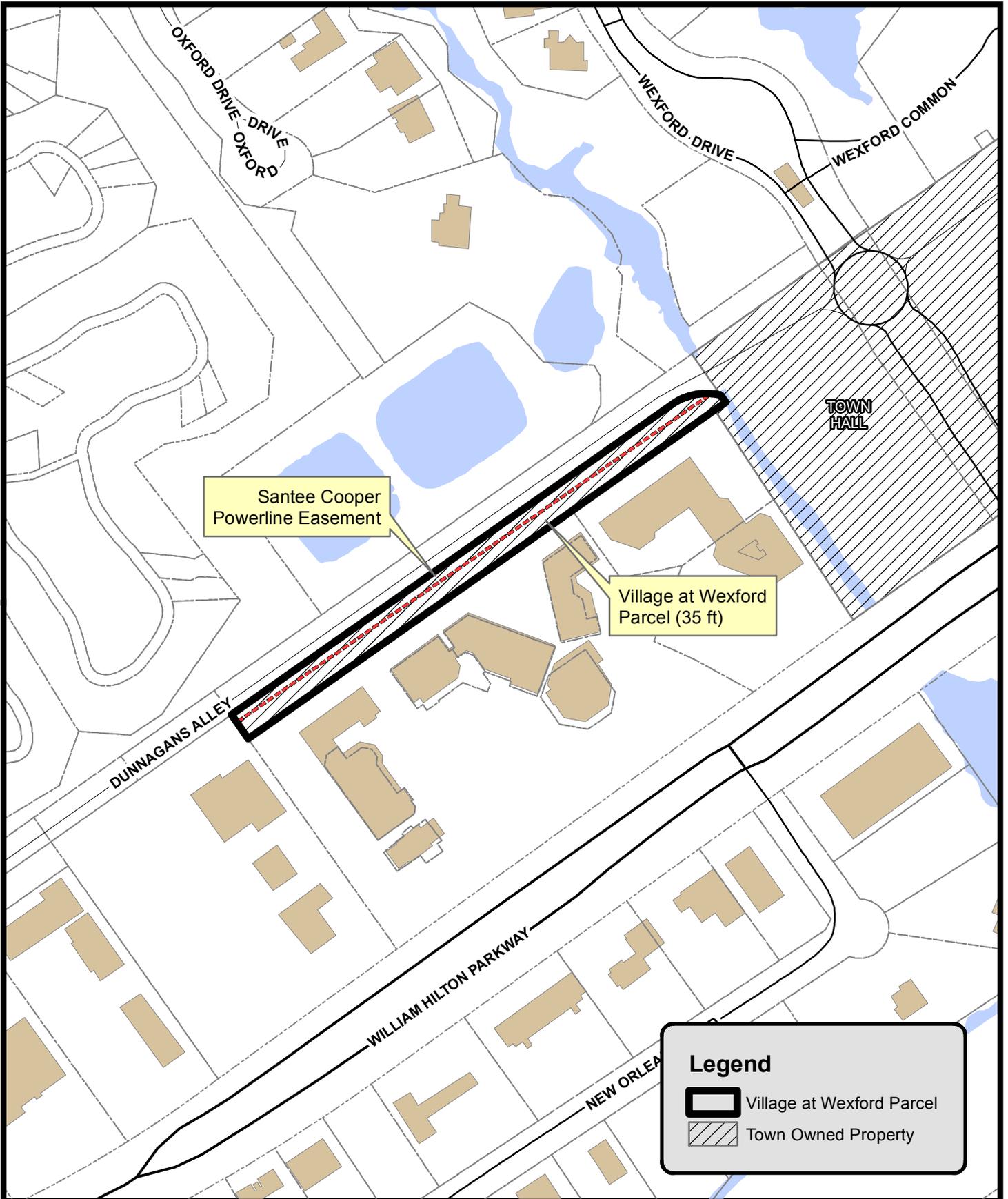
TO: Stephen G. Riley, ICMA~CM, *Town Manager*
FROM: Charles Cousins, AICP, *Community Development Director*
DATE: April 16, 2015
SUBJECT: Village at Wexford Request for Town Land

Recommendation: Staff recommends the Public Facilities Committee recommend to Town Council the sale of access right of way along Dunnagans Alley to the Village at Wexford.

Summary: The Town has received a request from the Village at Wexford to place signs on Town property at two of their rear entrances on Dunnagans Alley. The Town currently owns approximately 1.1 acres along the rear of the Village at Wexford. This land is predominantly occupied by parking for this shopping center, their dumpsters and three access drives onto Dunnagans Alley. The shopping center has easements on Town property permitting this use. Additionally, Santee Cooper has an easement for their power line on this property. This land was acquired by the Town when they purchased the right of way for the creation of this section of Dunnagans Alley.

Background: The Town was originally approached by the owners of the Village at Wexford about obtaining an easement over Town property to place signs identifying the shopping center at two of these rear entrances on Dunnagans Alley. This 1.1 acres at the rear of the shopping center is predominantly occupied by parking for this shopping center, their dumpsters and three access drives onto the Dunnagans Alley, as well as a Santee Cooper power line. The Town has no use for this property and it predominantly functions as part of the shopping center. Staff is suggesting the Town sell this land to them rather than providing another easement.

The Town parcel which is 50 feet wide is occupied by a 35 foot wide easement for the shopping center's parking. The remainder of the Town property is encumbered by the Santee Cooper power line easement. (See attached figure.) Representatives of the shopping center have suggested a purchase price which staff can discuss in executive session.



Legend

-  Village at Wexford Parcel
-  Town Owned Property

Town of Hilton Head Island

Village at Wexford Parcel



TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600

04/22/2015



1 inch = 222.22222 feet

This information has been compiled from a variety of unverified general sources at various times and as such is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion.



TOWN OF HILTON HEAD ISLAND

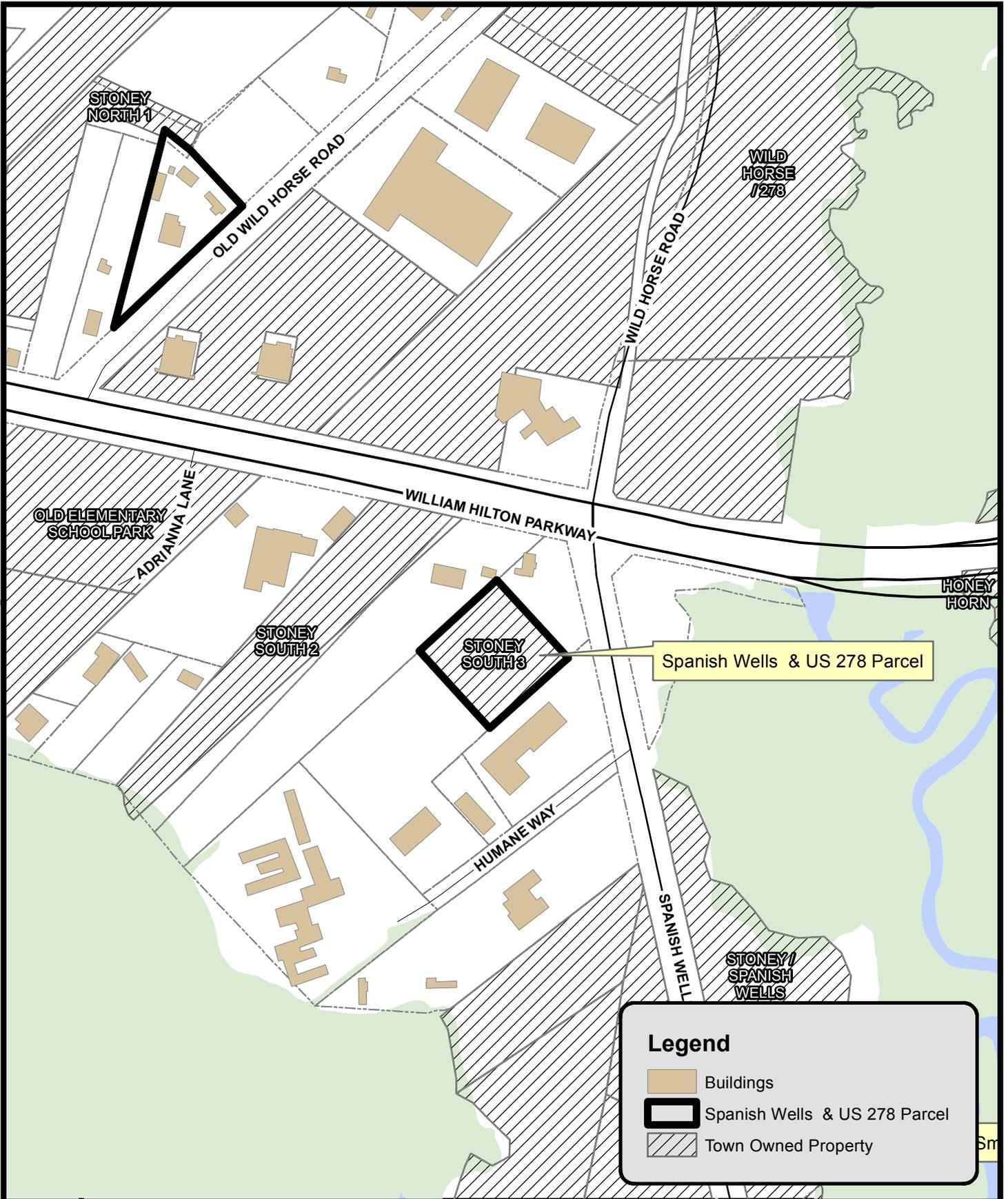
Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
FROM: Charles Cousins, AICP, *Community Development Director*
DATE: April 21, 2015
SUBJECT: David Berry Request to Purchase Town Owned Land

Recommendation: Staff recommends the Public Facilities Committee recommend to Town Council not to sell a one acre Town parcel near the intersection of US 278 and Spanish Wells Road.

Summary: David Berry has contacted the Town expressing an interest in buying a one acre parcel of land in the Stoney area of the Town near the intersection of Spanish Wells Road and US 278. Similar requests have been made in the past by Mr. Berry but the Town Council has not been in favor of these requests. This parcel offers the Town the opportunity to address some longer term issues of redevelopment in the immediate vicinity. The nearby parcels of the former Fairfield Square and the former boat sales site are currently for sale. This one acre parcel along with other nearby Town tracts have the potential to offer the Town leverage in the redevelopment of this area. For this reason staff recommends against the purchase request by Mr. Berry.

Background: This one acre parcel was donated to the Town. Mr. Berry owns the parcel immediately adjacent to this site. He operates his law office on his parcel. Mr. Berry proposes to pay an amount of cash for the Town parcel along with the offer to close one of his two curb cuts on Spanish Wells Road and place a permanent protection zone around the large live oak that sits at the front of his property. Staff can discuss the purchase price offer in executive session.



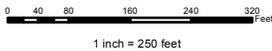
Legend

-  Buildings
-  Spanish Wells & US 278 Parcel
-  Town Owned Property

Town of Hilton Head Island
 Spanish Wells & US 278 Parcel

TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600

03/11/2015



This information has been compiled from a variety of unverified general sources at various times and as such is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion.