

CONSTRUCTION AGREEMENT

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION.

THIS AGREEMENT made this 24th day of March 2021, by and between Owner and Contractor as follows:

OWNER: Big Horn at Lone Mountain Unit Owner's Association, Inc., Board of Directors, 12 Running Bear Road, Big Sky, MT

CONSTRUCTION MANAGER: Montana Construction Management, LLC.

CONTRACTOR: Langlas & Associates, 1019 East Main Street, Suite 101, Bozeman, MT 59715

PROJECT: Big Horn Condo Siding Replacement & Exterior Upgrades, Big Sky, MT

MONTANA LICENSED ARCHITECT/ENGINEER: Hip and Humble Architecture, LLC, 418 South 5th Ave, Bozeman, MT 59715

THEREFORE, in consideration of the foregoing premises and in further consideration of the mutual covenants hereinafter described, the parties agree as follows:

ARTICLE 1- SCOPE OF WORK:

- A. General Conditions: Contractor agrees to provide all items typically furnished by a Contractor, including but not limited to labor, materials, equipment, facilities, technology, supervision, and necessary incidentals to accomplish the project described herein and in accordance with certain plans and specifications (attached hereto as **Exhibit A** and incorporated by reference) prepared by a Montana Licensed Architect and/or Engineer as designated by Owner, which are entitled "Big Horn Condominiums – Exterior Upgrades, Big Sky, MT" dated February 5, 2021 as prepared by Hip & Humble Architecture, LLC (hereinafter "Plans") and in accordance with the Assumptions and Clarifications documents (attached hereto as **Exhibit G**) with the Assumptions and Clarifications (**Exhibit G**) documents taking precedence over the plans and specifications (**Exhibit A**) when in conflict of intent. Contractor agrees to remodel the **Big Horn Condominiums** as described by the Plans on Owners' property described as:

Units 1 -70 of the Big Horn Condominiums, S30, T06 S, R03 E, r, Madison County, MT.

(hereinafter "Work Site"). The Contractor shall perform, in good workmanlike manner and in compliance with industry standards, all the work described in the Plans (hereinafter "Work"), and in accordance with all applicable building codes and the current applicable design guidelines for residential condominiums. Owner has warranted that the Plans were approved by the applicable Owner's Association and by the Big Sky Architectural Committee (BSAC) consequently there is no Design Guidelines or Architectural Review Committee requiring submittal and/or approval, except for final approval by the BSAC. The Contractor in connection with such Work shall provide general administration and oversight and shall furnish, or cause to be furnished, and pay for all labor, materials, supplies, subcontracting, tools, equipment, freight, permits and other items necessary to complete the Work, except as otherwise provided herein.

B. Construction Manager: The Contractor understands that the Construction Manager is acting on behalf of the Owner as an Owner's Representative and Construction Manager (CM) and serves as the liaison to the Association.

C. Phases: The Project consists of seventy (70) units within twenty-four (24) twenty-four buildings (see Exhibit B Site Plan). Contractor shall complete the exterior upgrades as shown on the architectural plans in two (2) phases, except as prevented by delays delineated in ARTICLE 6 – TIME OF PERFORMANCE below.

1. Phase 1 shall include the nine (9) four-plex "E" Buildings containing Units 8, 9, 10, 11, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 61, 62, 63, 64; plus the two (2) three-story F Buildings containing units 16, 17, 18, 19. Construction shall commence as soon as possible after Big Sky Resort (The Resort) closes in Spring 2021, however the intent is to start no later than May 01, 2021 and the intent is to complete all construction activities which have been started on site prior to November 15, 2021. Construction Activities are delineated as line items in the proposed estimated schedule at Exhibit C.

2. Phase 2 shall include Building A (Units 1 and 2), Building B (units 3, 4, 5, 6, 7), the ten (10) two-plex C Buildings (Units 12, 13, 14, 15, 32, 33, 34, 35, 39, 40, 53, 54, 59, 60, 65, 66, 67, 68, 69, 70) and Building D (Units 36, 37, 38). Construction shall commence as soon as possible after The Resort closes in Spring of 2022, but the intent is to start no later than May 01, 2022 and intent is to complete all construction activities which have been started on site prior to November 15, 2022. Construction Activities will be delineated as line items in the forthcoming proposed estimated schedule for Phase 2.

D. Mobilization: Contractor shall place an executed order for metal siding within ten (10) calendar days of the signed contract. Contractor shall provide a copy of the executed order to the Construction Manager and a copy to the Association (Owner). Contractor shall provide a schedule for Phase 1 as soon as

possible but no later than fifteen (15) days after the contract is signed and shall incorporate the anticipated delivery of the metal siding in the schedule. Notification of 10 working days shall be provided to the Construction Manager of anticipated construction effort to each building. Construction Manager shall notify the Property Manager for notification to the residents of the planned activities and coordinate access into each unit by the Contractor as required to facilitate the window and door removal and replacements specified on the Plans.

E. Contingencies: In addition to the Work identified above, the Contractor agrees to complete Contingency Discovery Work. The Contingency Discovery Work shall be limited to items that need to be replaced that could not be seen prior to the start of work. The Contingency Discovery Work is expected to include, but is not limited to underlying damage due to "wood rot" or related deterioration caused by such things as moisture, red ants, etc. The Contingency Discovery Work shall include such materials as: dimensioned lumber, wood post, pressure treated lumber used for ledgers, insulation board, sheathing, plywood, OSB (oriented strand board), and vapor barriers. Contractor shall provide Construction Manager with opportunity of inspection of all locations exposed as part of the demolition work included to the extent required for installation of new work outlined on the Plans. Following review by the Construction Manager, the contractor shall promptly be provided with direction to proceed with the contracted scope of work, proceed with the remedial work on a time and material basis, or provide pricing to the Owner for the remedial work established as required by the Construction Manager. The Construction Manager and Contractor shall sign a written Budget Adjustment Contingency Discovery Work. Contingency Discovery Work shall be billed at a unit cost of \$110 per 4x8 piece of sheathing, \$150 per 2x10 piece of Cedar Fascia or at the actual material cost, the actual wage rates, and the associated equipment rates as charged to the Contractor by other Subcontractors, suppliers, or vendors with the addition of a standard 10% overhead and 5% profit for the work performed. (documentation shall be provided as a part of the scheduled monthly billing)

ARTICLE 2- CONSTRUCTION PRICE:

Contractor agrees to complete the Phase 1 Siding and Soffit Replacement Work for the Fixed Price of Two Million Three Thousand Eight Hundred Thirteen Dollars (FP) of \$2,003,813, the Owner Elective Window & Doors Replacement Work for the Fixed Price of One Million Sixty-One Thousand Four Hundred Seventy Two (FP) of \$1,061,472, and the Balcony Replacement Work for the Budgeted Price of Eight Hundred Seventy Nine Thousand One Hundred Forty Two Dollars (BP) of \$879,142, which includes Cost of Work, unless the amount exceeding the FP or BP was approved by both parties in a written budget adjustment. The Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work.

ARTICLE 3- PRE-CONSTRUCTION AGREEMENT:

Any Pre-construction Agreement entered into by the parties is specifically made a part of this written agreement.

ARTICLE 4- PROGRESS PAYMENTS:

During the course of construction, Contractor shall submit to the Construction Manager (copied to the Owner) an Application for Payment (**Exhibit E & Exhibit F**) for approval, at the address listed below, along with a breakdown of all costs by division and copies of subcontractual/supplier invoices and for payment of Percentage of Work Complete since the last invoice. Invoices shall be postmarked to the Construction Manager no later than the fifth (5th) of each month for the previous month and shall include conditional lien waivers for all work, equipment and materials furnished during the period covered by the previous month's invoice. Owner (or the Construction Manager) shall have Twenty-One days after the receipt of the Invoice to approved or reject all or a portion of the Invoice. Owner shall make payment to the Contractor no later than seven (7) days after the Contractor's invoice is approved.

If all or any portion of an invoice is rejected, Owner must submit written notice to Contractor detailing why Owner is disapproving the request for payment or a portion of the request pursuant to MCA § 28-2-2103(c). Owner may withhold from a payment only an amount that is sufficient to pay the direct expenses that Owner may reasonably expect will be necessary to correct the specific claim(s) alleged in the written notice. If Owner disapproves only a portion of a request for payment, the remainder of the request for payment must be considered approved and paid within seven (7) days after approval. If written disapproval is not received within twenty-one (21) days of the receipt of the invoice, the Owner waives all right to disapprove any portion of the invoice and the Owner must pay the full amount of the invoice.

If Contractor does not receive payment or written disapproval as of the payment due date, the Contractor, upon seven days written notice, may stop construction until such payment and interest are paid in full. Interest shall be computed on the unpaid balance at the lesser of eighteen percent (18%) per annum, or the maximum interest rate permitted under Montana law.

ARTICLE 5 – FINAL PAYMENT:

Each building will be considered substantially complete when, 1) the Construction Manager approves final inspection and the building(s) is/are otherwise suitable for intended use; and 2) a one-time "punch-list" generated by the Construction Manager has been issued to the Contractor. The Contractor shall give the Construction Manager a 72-hour notice of a request for a scheduled punch-list walk-through. The Contractor shall have (10) days to complete items on the punch-list and are to be verified by the Construction Manager as being completed (extensions in completion of punch list items shall be granted due to weather, a pandemic, or other Acts of God). Final payment is due when the Contractor completes the punch list items to the Contractor and Construction Manager's satisfaction.

ARTICLE 6 – TIME OF PERFORMANCE:

Contractor agrees to commence Work on the Project upon delivery of the Plans to the Contractor and upon being issued all permits and approvals as required by the authorities having jurisdiction as applicable, and an executed copy of this agreement. Additionally, prior to the start of any work on site, the site must be mutually agreed by all to be free of weather obstacles on site that could pose a safety risk to the tradesmen on site. Contractor has provided Owner an estimated best case scenario schedule for completion, attached as **Exhibit C**, for the Project that is only to be used as a reference on time and order. This schedule may be modified to the reasonable extent that the completion of the Project is delayed by unforeseen weather conditions, including but not limited to snow, rain, flood, fire, drought, labor or material shortages or delays, pandemic delays, or any other Acts of God.

An event beyond Contractor's control for which it shall be entitled to additional Contract Time and Contract Price specifically includes delays and increased costs that may result from or arise out of the COVID-19 pandemic, including but not limited to availability of labor, disruptions in supply chains, availability of materials, restrictions on worksites and changes in workflow, and increased costs due to administration, monitoring, and accommodations for jobsite safety.

The parties understand and agree that many of the items listed in **Exhibit C** are items that the Owner or Owner's agents must make certain decisions about by a certain time (for example, the Owner or Owner's agents might have to choose laydown area/s for storage of equipment). If the Owner or Owner's agents fail to make these decisions by the times listed in **Exhibit C**, a 72-hour notice shall be given to the Construction Manager that if such decisions are not provided, the entire project may be delayed. The parties agree that Contractor is not responsible for delays caused by Owner or Owner's agents. The parties also agree that Contractor may charge Owner, for any costs of delays caused by Owner's, Construction Manager's, Architect's, and/or Engineer's negligence or intentional acts.

Contractor and Owner agree that time is of the essence with respect to the performance of every provision of this Agreement.

ARTICLE 7 – BUDGET ADJUSTMENTS:

Owner may at any time, by **WRITTEN** order, make changes to the lump sum proposals attached as **Exhibits D1 and D2** by altering, adding to, or deducting from the Work to be performed and materials to be furnished under this Agreement. The Contractor will determine the cost of the change, the feasibility of the change and other issues regarding the change. Once Contractor has completed his analysis of the change in writing, he will notify the Owner. Both Owner and Contractor must agree on the change. If the Owner and the Contractor agree, **BOTH** parties shall execute the budget adjustment, and the increase or decrease in the Contract Price caused by the budget adjustment will be reflected as an adjustment in the succeeding invoice. Any change in the line-item budget is a **GUIDELINE/ESTIMATE** to base construction costs and is not

intended to be a final budget or a representation of the final construction costs. Owner agrees to pay Contractor for changes in the Plans on the same terms specified herein, and to adjust any established completion date as necessary to accommodate the requested changes. Contractor shall be paid a markup on all budget adjustments of 15% of cost for Contractor's overhead and profit, Contractor at his discretion may waive this fee for budget adjustments, but in no way does this waiver limit Contractor's right to subsequently enforce this fee. In addition, the Owner and Contractor may mutually agree to modify this agreement through written budget adjustments as needed to compensate the Contractor for:

- a. Owner agrees to be responsible for providing Contractor with a Worksite free of complications related to soil conditions and subsurface water conditions. Should Contractor encounter abnormal soil conditions, subsurface water conditions, rock, radon contamination, earthquake faults or other reasonably unforeseen conditions below the surface of the ground that require a variation to the Plans or performance of additional Work;
- b. Additional costs or work caused by hidden conditions (hidden conditions refer to underground or hidden site conditions that differ materially from those normally encountered in construction of the type which is subject to this agreement) and/or the presence of hazardous material as defined by the Environmental Protection Agency (EPA), Such hidden conditions are Contingency Discovery Work and shall be addressed as set forth in Article 1, above;
- c. Additional costs or work caused by error omissions in the site plan, architectural plans, blueprints or other architectural blueprints, site survey or any other document not drafted by the Contractor of which the Contractor was not aware before this Contract was signed by Contractor;
- d. Delays caused by the Owners and/or Owners' agents or assigns; and
- e. Any other factor that necessitated a budget adjustment.

Persons authorized to sign budget adjustments:

For Contractor: Bud Daigle, Project Manager

For Owner: Adrienne M. Fleckman, President

ARTICLE 8 – WORKSITE CONDITIONS, DAMAGE TO PROPERTY AND ERRORS:

Per Article 7 ("Budget adjustments"), sub-part a, Owner further agrees to defend, hold harmless and indemnify Contractor and its officers, directors, employees and agents from and against any claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from

abnormal soil conditions, subsurface water conditions, rock, radon contamination, earthquake faults, or other conditions below the surface of the ground or otherwise unforeseen on the Worksite. Should such conditions be deemed to be reasonably uncorrectable, the Contractor and Owner agree to hold the other harmless and work, in good faith, to reach an amicable solution and/or terminate this Agreement.

Contractor shall take all reasonable and necessary precautions, to prevent damage, injury, or loss to (a) all persons performing the Work or who may be affected by the Work, (b) residents of the Big Horn at Lone Mountain condominiums and their guests, and (c) all materials, tools, equipment, and Work. Contractor shall report within 24 hours to the Construction Manager all accidents incidental to the Work which result in death or injury to persons or in damage to property of which Contractor becomes aware. Contractor shall provide to the Association any reasonable documentation requested by the Association (whether directly or via Construction Manager) related to any such death, injury, or damage. Owner acknowledges, however, that Contractor does not control the means and methods of its subcontractor's work and that Contractor may delegate some responsibility for safety to Contractors Subcontractors.

Contractor shall ensure that (a) its employees and subcontractors use sufficient precautions to avoid damage to finished surfaces, if any, on which it performs any Work, (b) all wall, floor, and ceiling penetrations created during the course of the Work are properly sealed per published industry standards cited on the Plans for the conditions of the project, and (c) all exterior landscaping, asphalt, or irrigation systems damaged by the Contractor or its subcontractors, including equipment, storage, tools, or vehicles as a result of this Contract, shall be replaced of equal value by the Contractor in a timely manner prior to the end of the Work to the extent of the allowance value included within the contract price and set forth within the **Exhibit G** Contract Assumptions and Clarifications document.

Contractor shall use all reasonable means necessary to discover and shall give the Construction Manager prompt (within 24 hours) written notice of (a) any errors or inconsistencies in the Contract Documents and (b) any errors, inconsistencies, or defects in the Work, materials, or equipment furnished by subcontractors, vendors, or other tradespeople, upon which the proper workmanlike or accurate performance of the Work relies. This provision is not intended to make the Contractor responsible for design work. Contractor is only responsible for providing this notice on issues Contractor reasonably becomes aware of.

ARTICLE 9 – NOTICE:

Any notice required by this Agreement shall be deemed received by the party to whom it is directed when such notice is personally served or is deposited in the United States mail, mailed Certified Return Receipt Requested, and addressed as follows:

Owner:
Adrienne M. Fleckman, President

Contractor:
Steve T. Langlas, President

Big Horn at Lone Mountain HOA

c/o Douglas N Shanley CPA
2055 North 22nd Avenue Suite 2B
Bozeman MT 59718

Langlas & Associates, Inc.

c/o Bud Daigle
1019 E. Main St, Ste 101
Bozeman, MT 59715

A party wishing to change the designated address above must notify the other party in writing via certified mail or electronic communication acknowledged by other party. If a Party rejects or otherwise refuses to accept or there is an inability to deliver because a party failed to notify the other party of a changed address, that party will be deemed to be in receipt of the notice. Further, any notice required by this Agreement may be delivered via electronic communication if that communication is received and accepted by the other party and if the communication contains a valid wet signature on a scanned document or valid electronic signature.

ARTICLE 10 – SITE INSPECTIONS:

Owner, or the Construction Manager, may make reasonable inspections of the Worksite, provided that such inspections do not interfere with the Work being done and are performed in accordance with the Langlas & Associates Subcontractor Site Safety Requirements documents. Owner, or his/her agent(s), shall be at their own risk while on the Worksite, keeping in mind that construction sites are often inherently dangerous if proper precautions are not taken.

If the presence of the Owner or the Construction Manager at the Worksite results in a violation of the current OSHA regulations, then any fines incurred will be charged to Owner. Owner and Owner’s appointed agents will provide to Contractor worker’s compensation and/or other insurance information before entering site.

ARTICLE 11 – OCCUPANCY:

Except as otherwise provided herein, Owner and Construction Manager agree not to interfere with the progress of the Work. Owner shall also ensure no lessee interferes with the progress of the work. Owner shall also ensure to the extent possible only unit owners, or their residents currently in place or agreed to at the time of this agreement are allowed to occupy the Unit during the Work and only as deemed necessary and without option. Owners and any associated residents shall be subject to the same safety requirements required by OSHA and further clarified by the Langlas & Associates Subcontractor Site Safety Requirements document. Owner and their residents shall also note that the decks will be temporarily out of service during the construction on their units and that the doors leading to those decks shall remain locked and remain out of service until completion of all work associated with their building. Owners and their residents shall also note that overhead hazards will be present thru the duration of work on their dwelling and that entry and exiting of their dwelling shall be made at their own risk.

ARTICLE 12 – WARRANTIES:

Contractor's warranty shall be limited to defects in workmanship within the scope of the Work performed by Contractor, its subcontractors (excluding those chosen by Owner) and which arise and become known within one (1) year from the date the Work is substantially complete and final payment is due pursuant to Article 5. Contractor does NOT warrant defects in material. However, Contractor does hereby agree to provide, during construction, ongoing diligent oversight responsibility of all workmanship and materials in accordance with published industry standards cited on the Plans for residential construction. In addition, Contractor hereby assigns to Owner all warranties on materials used on the Project as provided by manufacturers thereof which may be longer in duration than Contractor's warranty.

Construction Manager shall give Contractor written notice of any defect in Contractor's workmanship within 24 hours upon discovery. Contractor shall repair or replace any damage or loss caused to the Owner's property by Contractor's, or any of its employees, or subcontractor's workmanship. Contractor agrees to repair, replace, or otherwise remedy the defect, at Contractor's election.

The Owner warrants the following:

1. That it owns the real property identified in Article 1 above subject to no lien, encumbrance, or interest in any other person and that the electrical and water service will be sufficient to permit the construction pursuant to the Plans and specifications and to obtain Owner's the final acceptance.
2. That it has secured the necessary financing and/or has the funds to pay for all aspects of this project through substantial completion or will secure the requisite financing within the following timeline:
 - a. Proof of financing shall be provided within ten days of receipt of the estimate set forth as **Exhibit C**.
3. That it has or will obtain necessary easements, variances, change permits and restrictive covenant modifications. The Owners will indicate the property lines and will provide boundary markers as needed. The Owner assumes all responsibility for the accuracy of the boundary markers.
4. That it will pay for sewer and utility hookup charges, connection or tapping fees, rework required for any existing cable TV/data/phone services, and for electricity, water and other utilities needed by the Contractor to perform the Work.
5. That it shall provide a limited staging area for materials and equipment, parking areas for company and private vehicles, delivery location/s to place a porta potty onsite in the location shown on **Exhibit B**, attached hereto and incorporated herein by reference. Location shall be in compliance with local fire department for ingress and egress during emergency.

ARTICLE 13 – INDEMNIFICATION:

To the extent permitted by law and the extent claims, damages, losses or expenses are not covered by insurance purchased by Contractor (or Owner if Owner elects to purchase insurance specifically for construction-related damages), the Contractor shall indemnify and hold harmless the Owner and it's appointed agents from and against all expenses, arising out of or resulting from Contractor's 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 employed by them or anyone for whose acts they may be liable. In addition, Contractor hereby indemnifies and holds harmless the Owner, Owner's family, heirs and/or agent(s) against claims, damages, losses or expenses arising out of a failure or alleged failure by the Contractor to compensate or otherwise meet any agreement with subcontractors, employees, suppliers, financing agencies or others provided Contractor has been paid in full by Owner as provided herein. This indemnification will serve to protect the Owner against any lien, mechanic's lien or other action or claim against the Owner and or Owner's property and all improvements thereon at the Worksite.

However, the above indemnification clause **does not apply** to trade sub-contractors chosen by Owner. If the Owner desires to choose its own sub-contractor, then they must document their choice in writing to Contractor or via electronic communication if the Contractor accepts such communication and must provide all documentation of insurance and licensure. Likewise, Contractor will not be held responsible or penalized for any delays in schedule (Article 6), due to sub-contractors chosen by Owner. In addition, Contractor's warranty as provided in Article 11 will not cover any work done by sub-contractors chosen by Owner.

In addition to the above, Owner indemnifies and holds harmless the Contractor for the work performed by sub-contractors chosen by Owner under the terms below:

The Owner shall indemnify and hold harmless Contractor from claims, damages, losses, and expenses, arising out of or resulting from sub-contractor's (chosen by Owner) performance of 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 (including the work itself), but only to the extent caused by the negligent acts or omissions of the sub-contractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable. In addition, Owner hereby indemnifies and holds harmless the Contractor and its Subcontractors, Contractor's officers, directors, employees, and subcontractors against claims, damages, losses or expenses arising out of a failure or alleged failure by the Owner to compensate or otherwise meet any agreement with subcontractors, employees, suppliers, financing agencies or others and for Owner's intentional or negligent acts.

In addition, Owner shall obtain an indemnification agreement from all agents indemnifying and holding Contractor harmless for the agent's actions.

ARTICLE 14 – LIEN FILING AND RELEASES:

The Contractor may submit a Notice of the Right to Claim a Lien on the project within 20 days after the start date and may file liens to secure labor or labor and materials costs if payments become more than 30 days past due.

Upon termination of the Work, the Contractor will provide the Owners with evidence, including all appropriate lien waivers, that the Contractor has paid all payrolls, material, equipment and work-related costs, and will provide Owners with documentation that Contractor was provided with signed subcontractor and supplier lien releases by all persons or entities employed or used by Contractor who could otherwise assert such liens.

ARTICLE 15 – TERMINATION OR SUSPENSION:

CONTRACTOR:

If Owner materially breaches any of his/her obligations hereunder, Contractor shall have the right to terminate this Agreement, but only after Owner receives written notice from Contractor outlining the nature of the breach and Owner fails to cure such breach within ten (10) working days of receiving such notice. If this Agreement is so terminated, Contractor may (1) retain any and all portions of the Contractor's fee (including retainer) paid to date as liquidated damages, (2) recover all unpaid costs and expenses incurred to date, if such costs and expenses are directly pertaining to the Work completed herein, and (3) institute arbitration proceedings as described herein for specific performance and/or (4) any other legal and equitable remedies available at law.

OWNER:

A. FOR CAUSE: If (a) Contractor fails to cure any Default within ten (10) business days after receipt of written notification of the Default, or (b) a Default threatens to cause immediate personal or bodily injury or death, the Owner may terminate Contractor's rights under the Contract Documents in their entirety. In such a case, the Owner shall retain all the rights and remedies available under the Contract Documents and the law or in equity including, without limitation, the remedies specified below.

1. If the Owner acting through the Board of Directors terminates this Contract for cause as provided herein, the Owner may, without prejudice to any of its other rights or remedies, perform and complete the Work. In connection therewith, the Owner acting through the Board of Directors may do any or all of the following:

- a. Exclude Contractor from the site;
- b. Take possession of all materials, intended for performance of the Work, including materials at the site, stored materials, and materials in the course of preparation, wherever located and

without liability to Contractor for trespass or conversion, and as limited to the amount actually paid by the Owner;

- c. Accept assignment of Contractor's rights under all of Contractor's subcontracts for performance of the Work; and/or
- d. Otherwise obtain materials and equipment and employ persons which are necessary to complete the Work and for all materials of which Owner takes possession.

Upon termination for cause as provided herein, Contractor shall be entitled to receive payment of the portion of the Contract Price actually earned before the date of termination.

B. FOR CONVENIENCE. The Owner may, at any time, terminate for the Owner's convenience and without cause. Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall immediately perform the following:

1. Cease operations as directed by the Construction Manager or the Owner in the notice;
2. Take actions necessary, or that the Owner may direct, for the protection and preservation of the Work;
3. Except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
4. In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed and verified by the Construction Manager as in place; costs incurred by reason of the termination, and including costs attributable to termination of Subcontracts.

C. SUSPENSION BY THE OWNER FOR CONVENIENCE. The Owner may at any time and without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such a period of time as the Owner may determine.

1. The Contract Price and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 20. Any adjustment of the Contract Price shall include profit. No adjustment shall be made to the extent, that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or

2. That an equitable adjustment is made or denied under another provision of this Contract.

ARTICLE 16 – PERMITS AND LICENSES:

Unless otherwise specified, Construction Manager shall secure all necessary permits and licenses, in connection with the performance of the Work.

In addition, Contractor warrants that he is a registered Contractor in the State of Montana and will maintain that license in full force and effect through the term of this Agreement.

ARTICLE 17 – COMPLIANCE WITH LAWS:

Contractor agrees to comply with all applicable codes, all known applicable zoning regulations, known covenants, safety ordinances, local state and Federal laws, rules and regulations to the extent Contractor is aware of them.

ARTICLE 18 – INSURANCE:

- A. Owner agrees to maintain general liability insurance and name Contractor as a primary additional insured. Owner shall furnish Contractor with proof of this insurance upon written request of the Contractor.
- B. Builder's Risk Insurance: Contractor will obtain Builder's Risk Insurance via change order on the Project until completion in accordance with industry standards and comparable for the size and magnitude of the Project for the benefit of Owner. This insurance shall include the interests of the Owner, Contractor, and Subcontractors in the Project as insureds. Contractor shall furnish the name of its insured to Owner so that Owner may use the same insurer as Contractor.
 - 1. Whomever purchases Builders Risk policy shall elect to insure for loss of use, delay and completion, earthquake, flood coverage, and off-site storage.
 - 2. Whomever purchases Builders Risk policy shall be responsible for deductible.
- C. Insurance Existing Structures: If the Work involves remodeling an existing structure, the owner shall purchase and maintain "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss in the insurance policy.
- D. The Builders Risk Insurance and Existing Structures Insurance shall be endorsed to allow for occupancy during construction.
- E. The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are

covered by property insurance required by the Agreement or other property insurance applicable to the Project.

F. Owner shall promptly file a claim against the property policy upon written request from any party identified as an additional insured or additional interest in the policy.

A. Contractor agrees to maintain the following:

1. General Liability: \$2,000,000.00 per occurrence and \$4,000,000 annual aggregate.
2. Umbrella: \$2,000,000
3. Automobile Liability: Not less than \$1,000,000 per occurrence
4. Workers Compensation: \$5,000,000

*Owner and Hammond Property Management Inc. shall be named as an additional insured on this policy. Contractor shall maintain executed policies for the duration of the project through each Phase. For example, the insurance policy shall not cover months during the snow season when no construction is in operation.

ARTICLE 19 – ASSIGNMENT:

This Agreement shall not be assigned by either the Contractor or Owner without the written consent of the other party, and shall be binding upon, and shall inure to the benefit of, the parties hereto, their heirs, personal representative, successors, and assigns.

ARTICLE 20 – BINDING ARBITRATION:

ARBITRATION CLAUSE: In the event any dispute arises between the parties hereto which cannot be amicably settled between the parties, it is hereby agreed that, each of the parties will mutually select an arbitrator within fifteen days after receipt of written request from the other to arbitrate the dispute. If the parties cannot agree on an arbitrator, each party will appoint an arbitrator within fifteen days after notice of the dispute, then the two arbitrators so appointed will select a third arbitrator within fifteen days after notice of their appointment, and then the third arbitrator will hear the dispute and make a decision or award. It is agreed that the parties, regardless of the decision or award, made shall share any compensation required by the arbitrators equally. Any arbitration between the parties shall be held in Gallatin County, Montana. The Rules of the American Arbitration Association will apply.

This Agreement is executed in and governs property in the State of Montana. This Agreement shall be construed and interpreted in accordance with and governed by the internal laws of the State of Montana without regard to Montana's choice of law provisions. In the event legal proceedings are commenced with regard to any provision of this Agreement, venue shall be state or federal court of competent jurisdiction in Gallatin County, Montana. In agreeing to this provision the Parties expressly waive, and intend to expressly waive: (a) all rights (if any) to the benefits of any other state's law; (b) the right to pursue any remedies and/or

damages under any other state's law; (c) jurisdiction or venue in any other state; and (d) the right to contest, dispute, or otherwise challenge the exercise of jurisdiction by a Montana Court, or venue in the Fifth Judicial District Court of Montana located in Gallatin County, Montana.

ARTICLE 21 – SURVIVAL CLAUSE:

The parties agree and acknowledge that all the terms, covenants, and conditions of this Agreement shall survive the execution of this Agreement and, where applicable, shall survive after the Owner has paid in full all amounts due, after the completion date, or both.

ARTICLE 22 – FORCE MAJURE:

In the event that Contractor shall be delayed or hindered or prevented from the performance of any act hereunder by reason of any strike, lock-out, civil commotion, war-like operation, invasion, rebellion, or riot, pandemic, hostility, military, or usurped power, sabotage, governmental restrictions, or regulations, or the inability to obtain any services, materials, or financing, of for any cause beyond the party's control, the performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for the period of the delay and the period for the performance of any such act shall be extended for the period necessary to complete performance after the end of the period of such delay.

ARTICLE 23 – SEVERABILITY:

If any portion of this Agreement shall be held invalid or unenforceable for any reason, the remaining provisions shall continue to remain valid and enforceable and in full force and effect and be binding on the parties hereto, their heirs, personal representatives, and assigns. If a court of competent jurisdiction finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision, it would become valid and construed, and enforced as so limited, then the provision will be so modified.

ARTICLE 24 – ENTIRE AGREEMENT/AMENDMENT:

This Agreement, including the attached exhibits and any retainer agreement specifically included in this agreement, is the entire agreement between the parties. This Agreement supersedes all prior and contemporaneous oral or written agreements of the parties. No alterations, modifications, or additions to this Agreement shall be binding unless reduced to writing and signed by the parties. No covenant, term, or addition to this Agreement shall be deemed waived by Owner and Contractor unless such waiver shall be reduced to writing and signed by Owner and Contractor.

ARTICLE 25 – GOVERNING LAW/ ATTORNEY’S FEES AND COSTS:

It is agreed that this Agreement shall be construed in accordance with and governed by the laws of the State of Montana. If a suit or action, including Arbitration, is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorney’s fees.

ARTICLE 26 – GENERAL PROVISIONS:

a. It is agreed and understood by and between the parties hereto, each with the other, their respective heirs, personal representatives, and assigns, that when and so often as may be necessary, the parties, their heirs, personal representatives and assigns, will execute, do such reasonable things, and give such assurances as may be reasonably required to perfect the implied and expressed covenants, warranties and conditions herein set forth, reserved and contained to be kept and performed on the part of the parties hereto.

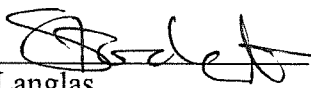
b. It is agreed and understood by and between the parties hereto that a waiver by the Owner or Contractor of the strict performance of any provision of this Agreement shall not act as a bar or a precedent to enforcement of the same provision in the future or any other provision set forth herein.

c. It is agreed and understood by and between the parties hereto that the caption headings in this Agreement are for convenience only, and do not apply to, or affect, the construction or interpretation of any of the terms hereof.

d. It is agreed and understood by and between the parties hereto that all of the terms, covenants and conditions herein set forth, reserved and contained on the part of the parties to be kept and performed shall be binding upon and inure to the benefit of, and be enforceable by the heirs, assigns and personal representatives of the parties hereto.

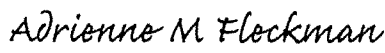
IN WITNESS WHEREOF, the parties hereto have executed this Construction Agreement as of the day and year first written above.

CONTRACTOR:

 3-26-21

Steve T. Langlas

OWNER:



Adrienne M. Fleckman, President



GENERAL CONTRACTORS

Exhibit A - Drawing and Specifications Log

Project Name: Big Horn Condos

2/5/2021

Sheet	Title	Created by:	Phase 1 - Issue For Construction Set dated	Most Recent
A1-1	COVER SHEET & CODE INFORMATION	HAHA ARCH.	2/5/2021	2/5/2021
A1-2	SITE PLAN	HAHA ARCH.	2/5/2021	2/5/2021
A1-3	DEMOLITION NOTES, DETAILS, & ARCHITECTURAL SPECS	HAHA ARCH.	2/5/2021	2/5/2021
A1-4	UNIT E - ROOF PLAN & DETAILS	HAHA ARCH.	2/5/2021	2/5/2021
A1-5	UNIT E - 3D VIEWS	HAHA ARCH.	2/5/2021	2/5/2021
A1-6	UNIT E - EXTERIOR ELEVATIONS	HAHA ARCH.	2/5/2021	2/5/2021
A1-7	BUILDING DETAILS	HAHA ARCH.	2/5/2021	2/5/2021
A1-8	UNIT F - 3D VIEWS	HAHA ARCH.	2/5/2021	2/5/2021
A1-9	UNIT F - 3D VIEWS	HAHA ARCH.	2/5/2021	2/5/2021
A1-10	UNIT F - EXTERIOR ELEVATIONS	HAHA ARCH.	2/5/2021	2/5/2021
A1-11	EXISTING CONDITIONS PHOTOS	HAHA ARCH.	2/5/2021	2/5/2021
A1-12	EXISTING CONDITIONS PHOTOS	HAHA ARCH.	2/5/2021	2/5/2021

BHC's EXHIBIT C

ID	Task Name	Duration	Start	Finish	Qtr 1, 2021	Qtr 2, 2021	Qtr 3, 2021	Qtr 4, 2021								
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	BHC's - Exterior Upgrades P1	198 days	Mon 2/1/21	Mon 11/8/21	[Gantt bar spanning from Jan to Nov]											
2	Preconstruction	76 days	Mon 2/1/21	Mon 5/17/21	[Gantt bar spanning from Jan to May]											
53	Construction	143 days	Mon 4/19/21	Mon 11/8/21	[Gantt bar spanning from May to Nov]											
54	Unit E1	57 days	Mon 4/19/21	Thu 7/8/21	[Gantt bar spanning from May to July]											
70	Unit E4	57 days	Wed 5/12/21	Mon 8/2/21	[Gantt bar spanning from June to August]											
86	Unit E7	50 days	Tue 6/15/21	Tue 8/24/21	[Gantt bar spanning from July to September]											
102	Unit E5	50 days	Mon 7/19/21	Mon 9/27/21	[Gantt bar spanning from August to October]											
118	Unit E9	50 days	Thu 8/19/21	Thu 10/28/21	[Gantt bar spanning from September to November]											
134	Unit E3	50 days	Mon 4/19/21	Mon 6/28/21	[Gantt bar spanning from May to July]											
150	Unit E2	50 days	Wed 5/12/21	Thu 7/22/21	[Gantt bar spanning from June to August]											
166	Unit F1	38 days	Tue 6/15/21	Fri 8/6/21	[Gantt bar spanning from July to September]											
182	Unit F2	39 days	Tue 7/6/21	Fri 8/27/21	[Gantt bar spanning from August to October]											
198	Unit E6	52 days	Mon 7/26/21	Wed 10/6/21	[Gantt bar spanning from September to November]											
214	Unit E8	52 days	Thu 8/26/21	Mon 11/8/21	[Gantt bar spanning from October to December]											

Project: BHC's Project Schedule
Date: Wed 3/24/21

<p>Task</p> <p>Split </p> <p>Milestone </p> <p>Summary </p> <p>Project Summary </p>	<p>Inactive Task</p> <p>Inactive Milestone </p> <p>Inactive Summary </p> <p>Manual Task </p> <p>Duration-only </p>
<p>Manual Summary Rollup</p> <p>Manual Summary </p> <p>Start-only </p> <p>Finish-only </p> <p>External Tasks </p>	<p>External Milestone</p> <p>Deadline </p> <p>Critical </p> <p>Critical Split </p> <p>Progress </p>
<p>Manual Progress</p> <p>Slack </p>	



Exhibit D1 - BHC - Phase 1 Siding & Soffit Pricing 3/25/21

All E & F Type Buildings:

1/12/21 WRB, Flashing, 1/2" Insulation Board, Siding, & Soffit Pricing:	\$	1,564,165
Reconciliation with 2/5/21 Issue For Construction Dwgs. (Including: Reframing Gables to accommodate new gable vents, reconciled outlet & light trim box locations, new dryer vents and associated trim boxes, & metal cladding for garage door head and jamb trim.):	\$	83,688
7 1/2% Siding Material Escalation From Bridger Steel:	\$	29,693
Phase 1 General Conditions:	\$	134,467
\$1,000 per Dwelling Unit Substrate Repair Allowance:	\$	40,000
\$300 per Dwelling Unit Landscape/Irrigation Repair Allowance:	\$	12,000
Siding/Soffit Subtotal:	\$	<u>1,864,012</u>
2.5% Materials Inflation Allowance:	\$	46,600
5% Contractor Construction Contingency:	\$	<u>93,201</u>

Siding/Soffit Grand Total: \$ 2,003,813

amf



Exhibit D3 - BHC - Phase 1 Balcony Replacements 3/24/21

Building	Qty of Decks	Deck Removal & Replacement	Qty of Railings	Railing Replacements
E1	4 Ground Level	\$69,606	0	\$0
E2	4 Ground Level	\$69,606	0	\$0
E3	4 Ground Level	\$69,606	0	\$0
E4	4 Ground Level	\$69,606	0	\$0
E5	3 Ground Level, 1 Two Story	\$71,815	4	\$17,519
E6	4 Ground Level	\$69,606	1	\$4,380
E7	4 Two Story	\$78,444	4	\$17,519
E8	4 Ground Level	\$69,606	0	\$0
E9	4 Ground Level	\$69,606	0	\$0
F1	2 Two Story w/ Patios	\$92,354	2	\$8,759
F2	2 Two Story w/ Patios	\$92,354	2	\$8,759
Total:		\$822,206		\$56,936

Grand Total: \$879,142

Deck Construction Breakdown:	2nd Story Decks with Deck/Patio Below	2nd Story Decks	Ground Level Decks
Demolition/Disposal:	\$3,879	\$2,541	\$2,140
Foundations:	\$3,151	\$3,151	\$1,940
Framing:	\$13,919	\$13,919	\$13,322
Concrete Patio:	\$2,140		
Powder Coated Steel Picket	\$4,380	\$4,380	\$4,380
Total:	\$27,468	\$23,991	\$21,781

EXHIBIT E
INSTRUCTIONS FOR APPLICATIONS FOR PAYMENT

1. The Application for Payment enclosed in this packet is a master copy; please make copies.
2. Billings must be submitted on the attached form only. Payments will not be processed without this form. Your own form may be attached for reference.
3. To complete the Application for Payment:
 - a. (Line 1) "Original Contract Amount" is the original lump sum amount of your contract.
 - b. (Line 2) "Approved Contract Supplements" is for approved and executed Change Orders only.
 - c. (Line 3) "Adjusted Contract Amount" is Line 1 plus Line 2.
 - d. (Line 4) "Work Completed To Date" is a cumulative total, showing the dollar amount and percent completion to date.
 - e. (Line 5) "Less Amount Retained" is the total retainage withheld to date, including this application. It is calculated by multiplying Line 4 by the retainage percentage shown in the Prime Contract Agreement and Notice to Proceed (also noted in Line 5).
 - f. (Line 6) "Total Work Completed Less Retention" is Line 4 minus Line 5.
 - g. (Line 7) "Less Previous Payments" should include only the payments you have actually received to date.
 - h. (Line 8) "Amount Due" is Line 6 minus Line 7.
4. Submit a "Schedule of Values," similar to the attached "Continuation Sheet" that identifies progress for each major area or phase of work as/when required.
5. Final Applications for Payment should be indicated as "FINAL" on the line labeled "Payment Request No."
6. Applications for Payment are due by the 5th of each month. Late pay requests may result in late and/or reduced payments.

EXHIBIT F APPLICATION FOR PAYMENT

APPLICATION AND CERTIFICATE FOR PAYMENT		AIA DOCUMENT G702	(Instructions on reverse side)	PAGE ONE OF ONE PAGES
TO (OWNER):	PROJECT:		APPLICATION NO.:	Distribution to: <input type="checkbox"/> OWNER <input type="checkbox"/> ARCHITECT <input checked="" type="checkbox"/> CONTRACTOR
			PERIOD TO:	
FROM (SUBCONTRACTOR):			PROJECT NO.:	
CONTRACT FOR:			CONTRACT DATE:	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

CHANGE ORDER SUMMARY		
Change Orders approved in previous months by Owner	ADDITIONS	DEDUCTIONS
TOTAL	\$0	\$0
Approved this Month		
Number	Date Approved	
CO #01		\$0
CO #02		\$0
CO #03		\$0
CO #04		\$0
TOTALS		\$0
Net Change by Change Orders		\$0

1. ORIGINAL CONTRACT SUM.....	\$ 0
2. Net change by Change Orders.....	\$ 0
3. CONTRACT SUM TO DATE (Line 1 +/- 2).....	\$ 0
4. TOTAL COMPLETED AND STORED TO DATE.....	\$ 0
(Column G on G703)	
5. RETAINAGE:	
a. 5% of Completed Work.....	\$ 0
(Column D + E on G703)	
b. 5% of Stored Material.....	\$ 0
(Column F on G703)	
Total Retainage (Line 5a + 5b or Total in Column 1 of G703).....	\$ 0
6. TOTAL EARNED LESS RETAINAGE.....	\$ 0
(Line 4 less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate).....	\$ 0
8. CURRENT PAYMENT DUE.....	\$ 0
9. BALANCE TO FINISH PLUS RETAINAGE.....	\$ 0
(Line 3 less Line 8)	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:
By: _____ Date: _____

State of: _____ County of: _____
Subscribed and sworn to before me this _____ day of _____, 2006.
Notary Public:
My Commission expires: _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED..... \$ 0
(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET APPLICATION FOR PAYMENT

CONTINUATION SHEET			AIA DOCUMENT G703			(Instructions on reverse side)			
AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached. In tabulations below, amounts are stated to the nearest dollar. Use Column I on Contracts where variable retainage for line items may apply.					APPLICATION NUMBER	0			
					APPLICATION DATE	1/0/1900			
					PERIOD TO	1/0/1900			
					OWNER'S PROJECT NO.	0			
A	B	C	D		E	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D O R E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
1	Scope X					\$ -	#DIV/0!	0	0
2	Scope Y					\$ -	#DIV/0!	0	0
3	Scope X					\$ -	#DIV/0!	0	0
4						\$ -	#DIV/0!	0	0
5						\$ -	#DIV/0!	0	0
6						\$ -	#DIV/0!	0	0
7						\$ -	#DIV/0!	0	0
8						\$ -	#DIV/0!	0	0
9						\$ -	#DIV/0!	0	0
10						\$ -	#DIV/0!	0	0
11						\$ -	#DIV/0!	0	0
12						\$ -	#DIV/0!	0	0
13						\$ -	#DIV/0!	0	0
14						\$ -	#DIV/0!	0	0
15						\$ -	#DIV/0!	0	0
16						\$ -	#DIV/0!	0	0
17						\$ -	#DIV/0!	0	0
18	Total Base Contract:	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	0	0
19									
20	Change Orders:								
21	CO #X - added via RFI #					\$ -	#DIV/0!	0	0
22						\$ -	#DIV/0!	0	0
23						\$ -	#DIV/0!	0	0
24						\$ -	#DIV/0!	0	0
25						\$ -	#DIV/0!	0	0
26						\$ -	#DIV/0!	0	0
27						\$ -	#DIV/0!	0	0
28	Total Change Orders	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	0	0
29									
30									
31	OVERALL PROJECT TOTALS:	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	0	0

BIG HORN CONDO'S

Exhibit G - Assumptions & Clarifications Narrative

3/25/2021

General Clarifications:

- 1) The budget is contingent upon the information contained in these clarifications. In the event of any inconsistency between these clarifications and the design documents, the clarifications shall take precedence. In the even of any disagreement between the Architects interpretation of any item of clarification and the Contractor, the Owners Representative and Contractor shall jointly agree on the proper interpretation.
- 2) Assumes work hour availability between 7 AM and 7 PM six days a week.
- 3) Understanding that any phased permitting and/or temporary phased occupancy is a goal of the team. However, meetings with the Authorities Having Jurisdiction will determine what constitutes temporary occupancy and any associated provisional costs can only be included once quantifiable at that time.
- 4) An AIA certificate of substantial completion is to be issued by the Architect for any and all substantially completed areas turned over for partial occupancies. The warranty, insurance responsibility, and maintenance responsibility all such areas and equipment will become the responsibility of the Owner at that time.
- 5) Understanding that this project is not targeted for LEED compliance.
- 6) Retainage shall be maintained at 5% and shall be released in full upon "final completion" of each building, except for final retainage described in Division 01 Paragraph 6 below to repair damage to housing units.
- 7) Includes on site management and coordination of any third party owner provided inspectors, consultants, and owner direct subcontractors.
- 8) Mock-ups where required by the specifications are included as in-place construction and not in advance of adjacent or like construction. Material and finish samples are to be approved with the submittal process.
- 9) Contractor shall not be responsible for the Project's compliance with federal, state or local disabled-access statutes, including but not limited to the Americans with Disabilities Act, Housing and Urban Development and the Fair Housing Amendments Act (collectively, "Accessibility Statutes") provided that the Contractor has completed the work in accordance with the plans and specifications. To the extent permitted by law, if Contractor is named as a defendant in a lawsuit brought pursuant to, or held liable for violation of, any Accessibility Statute, the Owner provided that the Contractor has completed the work in accordance with the plans and specifications (1) agrees that the Contractor has no obligation to make any alterations to the Project from the contract scope of work and (2) agrees to indemnify, defend and hold harmless the Contractor for any and all liability hereunder, including but not limited to fines, judgments, costs, attorneys' fees and expert witness fees. ADA accessible requirements are not included where noted as required for conversation.
- 10) Assumes completely digital transmission of all RFI's and Submittals and a turnaround of 3 working days for any Requests for Information (RFI's) and 10 working days for any Submittals.
- 11) Understanding that owner will provide a copy of the Langlas & Associates Subcontractor Site Safety Requirements to their consultants, subcontractors, guests, etc. and will hold them to the same requirements expected of any other on the worksite. Electronic copy to be provided to Owner with signed contract.
- 12) Understanding that this budget does not include sound transmission design and/or testing requirements for any trade to achieve and/or test for a certain STC rating established by the documents. The budget includes specific detailing as indicated on the documents only.

- 13) Assumes specifics for all aspects of project design installation to be provided to the general contractor as requested for completion of the project.
- 14) In order to facilitate the shop drawing process, the contractor will make use of the digital construction drawings. Fee's associated with obtaining CAD/Revit backgrounds for our work are not included. The Architect will provide all files at no additional cost to the Contractor.
- 15) No specific allotment of attic stock has been included at this time.
- 17) All permits, permit management, permit expediting, or any other approvals as required by the authorities having jurisdiction are assumed be procured and paid for by owner or the owners agent.
- 18) Builders Risk Insurance assuming a project value of \$3,842,476 shall be included by GC as to be captured via Change Order #1.

Division 01 - General Construction Requirements (i.e. Logistic, Material management, & Schedule Clarifications.)

- 1) All project costs and clarifications based upon "Big Horn Condo Siding Replacement & Exterior Upgrades - Phase 1 (Unit Types E&F) Construction Dwgs" dated 2/5/21 as issued by Hip & Humble Architecture and "BHC's Owner Elective Selections" PDF dated 2/25/21.
- 2a) Owing to the extremely high volatility of construction material in our current market, the pricing proposed is only good for 30 days from the date of this proposal. Any materials that the contractor has been unable to purchase within this time frame owing to delays in product approvals, design changes, or design revisions shall be subject to a 2.5% inflationary increase.
- 2b) The Contractor shall prove to the Owner, or it's Representative, any requested or required documentation indicating the requirement for impacts to the cost and or/schedule. Such impacts shall include items as escalation, material procurement challenges, labor shortages, etc. Required documentation shall be shown by the vendor, supplier, subcontractor, etc. as the source of the impact.
- 3) A global 5% contractor contingency has been included to cover any unforeseen conditions, efforts required to supplement manpower, and repair to existing materials (i.e.. Asphalt, interior window/door trim, etc.) as required to provide a complete project within the targeted construction timelines. The dollar amount shall be identified to Owner. Furthermore, any expenses related to the contingency shall be recommended by Langlas & Associates and approved by Owner or Owner's representative. Lastly a report shall be provided during the monthly pay application request that indicates the amount used, committed, and the balance of the contingency.
- 4) Understanding that the owner provide the contractor with electricity and water at no cost as required to effectively operate the tools need to perform the work on site.
- 5) Assumes a minimum of 6 each 3 bedroom condos will be provided to the contractor for use as workforce housing. If this cannot be provided, please add \$10,000 per condo to the proposed lump sum pricing.
- 6) Proposal includes 1 each professional clean per unit following contractor use of the dwelling, with the understanding that the workers will be allowed to stay in the same unit for the duration of the construction season, with assumption that workers will supply their own towels and bedding, maintain the unit in good condition, and follow all rules including trash removal, no pets, and no smoking in any unit. Furthermore, the final 5% retainage will be used as deemed necessary to a reasonable extent to repair any damage to the unit or interior furnishings of the unit.
- 7) Includes daily pick up of loose material, debris, and nail pick up using magnetic devices.
- 8) The majority of building products for this project will be staged at the Langlas construction yard in 4 Corners and transported to the Big Horn Condo's site on an as needed basis by KCD Enterprises. Please note however that it will be necessary to locate a variety of construction equipment, Conex box storage units, debris dumpsters, portable toilets, and a work trailer on site. Security of such items will be the responsibility of the Contractor and insurance for such items shall be covered within the Builders Risk insurance policy for the project.

Division 02 - Existing Conditions

- 1) Understanding that all potential Hazardous Material Remediation shall be by owner.
- 2) Includes demolition work as can be inferred from the design documents for the siding, soffit, window, & door scopes of work. Inclusion of decks and patios is conditional upon final acceptance of architectural and/or engineering revisions and acceptance of price to both parties.
- 3) Expectation that the owner will directly contract with an entity to survey and document all existing conditions associated with adjacent buildings and roadways and will provide Langlas & Associates with a copy of the findings.
- 4) Includes a \$40,000 (\$1,000 per dwelling unit) substrate repair allowance to be used for repair of deteriorated substrates uncovered during the course of the specified scopes of work. Unit costs to be used for this work include \$110 per 4'x8' section of sheathing, \$150 per 10' piece of 2"x10" of cedar subfascia, and/or \$65/hr. plus 1.05 times material costs plus 10% general overhead and 7% profit.
- 5) Every effort will be made to minimize the impact of construction on the surrounding landscaping and grounds. However, there may be occasions in which we must prune back foundation plantings in order to appropriately execute our work on the exterior walls.
- 6) Includes a \$12,000 (\$300 per dwelling unit) landscaping repair allowance to be used for repair soil grading, grasses, shrubs, and irrigation systems damaged thru the course of the work.
- 7) No allowance has been included for snow removal, but will be offered to the client at a rate of \$65/hr. as deemed necessary to perform work on site.
- 8) Assumes owner will facilitate removal and storage of all exterior personally belongings associated with the units (i.e.. Welcome signs, welcome mats, outdoor furniture, grills, Christmas/party lights, etc.).
- 9) Assumes owner understanding that during the course of the work, the workers will be pounding on the exterior walls during every phase of the work. As such each owner is strongly encouraged to remove any breakable Knick knacks or other valuable items mounted on the walls, set on wall mounted shelves, or set on furniture located against an outside wall. Even small impact vibrations can cause an item to slowly move across a surface and fall on the floor.
- 10) While the contractor will maintain a special focus on the identification of moisture damaged substrate materials, we must be held harmless for not uncovering hidden moisture damage and/or mold located beyond the scope of materials identified for removal within the above mentioned design documents. Notice will be provided to the owners and/or their assigned representative to inspect the substrate following demolition, but before installation of new quantify and provided clear direction on what if any unforeseen substrate repair is required.
- 11) Assumes all new items identified on the design drawings are direct replacements intended to fit into the existing structures without any structural revisions required to the buildings.
- 12) Assumes individual unit owners will facilitate removal and storage of all interior personal belongings associated with the units (i.e.. window coverings (see Div. 02 item 9 above and Div. 08 item 6 below), wall hangings, wall art, countertop articles that could be damaged, furniture close to doors and windows, valuables, etc.).
- 13) Contractor agrees to remove current satellite dishes and cable as directed by Owner's Representative and furnish and install trim/mounting blocks as required for satellite dishes following agreement on established cost of work for this scope.

Division 03 - Concrete

- 1) No concrete work (precast or in situ) or renovation to the existing concrete unit entry stairs/stoops has been included at this time, but Contractor shall repair, finish, stain, seal, and/or replace current entry stoops as per Addendum #1 Issued by Hip & Humble Architecture following agreement on an established cost of work for this scope.

Division 04 - Masonry

- 1) No masonry work has been included at this time.

Division 05 - Metals

- 1) Includes metal flashing and rain diverters as specified and noted on the design documents cited above.
- 2) Assumes the specified step flashing and rain diverters required per details 3&4/A1-7 can be installed without the need to remove any existing roofing materials.

Division 06 - Woods, Plastics, & Composites

- 1) See Division #02 above regarding the replacement of deteriorated wood substrate materials.
- 2) Decks and patios shall be performed as part of Langlas's concurrent scope of work following finalization of all cost associated with this work. Current budget assumptions associated with this work are as noted below and are based upon "Big Horn Condos Deck Replacement drawings dated 2/17/21 as issued by Redleaf Engineering, LLC. Owner and contractor will address any future changes to the design documents via change orders. Owner and Contractor accept that final pricing will change with material escalation charges, design changes, scope of work revisions, and the number of mobilizations/deck turnover rate required to meet the Owners needs.

DECK CONSTRUCTION BREAKDOWN			
	2 nd Story Decks/Patio Below (F1, F2)	2 nd Story Decks E5, 44; E7	Ground Level Decks
Demolition	\$3,879	\$2,541	\$2,140
Helical Pier Foundation	\$3,151	\$3,151	\$1,940
Framing, TimberTech, Legacy Pro, Ashwood	\$13,919	\$13,919	\$13,322
Powder Coated Steel Picket Locally made/per deck	\$6,114	\$6,114	\$6,114
Concrete patio (owner choice)	\$2,140		

Division 07 — Thermal and Moisture Protection

- 1) Complete install of weather barrier & exterior building cladding products as specified and noted on the design documents noted within the construction agreement.

Division 08 - Openings

- 1) Removal and replacement of doors, door hardware, and windows as identified via the "BHC's Owner Elective Selections" document dated 2/25/21 and specified within the design drawings noted above.
- 2) While every effort will be made by the contractor to remove interior trim at openings in a way as to not damage either the trim or any adjacent surfaces, in the event damage is incurred, the contractor will replace the trim and damage to the adjacent finish utilizing the established 5% contractor contingency included.
- 3) Includes the removal and reinstallation of all patio doors not being replaced as deemed necessary for the proper installation of the buildings weather barrier and flashing products.
- 4) Removal and re-installation of front entry doors is assumed to not be required for an appropriate installation and is therefore not included in the construction proposal.
- 5) Understanding that due to varying thickness of the siding materials, the J-trim required to capture the edges of the siding components may be "proud" of the adjacent existing or new trim.

6) Assumes all interior window coverings to be removed and reinstalled by Owner(s), but can be addressed on an individual basis by the construction team and facilitated as required.

Division 09 - Finishes

- 1) Paint included only at locations whereby the exterior cladding cannot be replaced due to existing conditions (i.e.. Electrical Gear, Radon Fans, etc.) requiring specialized trades for removal or not otherwise called to be clad with prefinished material on the design drawings.
- 2) Contractor shall install house numbers as per Addendum #1 Issued by Hip & Humble Architecture following agreement on an established cost of work for this scope.

Division 23 - Heating Ventilation & Air Conditioning

- 1) Proposal includes replacement of existing exhaust duct and dryer vent wall caps with a new cap factory finished in a standard color in lieu of repainting the existing caps.

Division 26 - Electrical

- 1) Includes the removal and reinstallation of existing light fixtures and door bells using non union non licensed tradesmen.
- 2) Contractor shall furnish new exterior light fixtures as per Addendum #1 Issued by Hip & Humble Architecture following agreement on an established cost of work for this scope.
- 3) Includes replacement of any bulbs/lamps showing visual breakage utilizing the established 5% construction contingency, but the contractor cannot be held responsible for "burned out" bulbs.

Division 27 - Communications

- 1) Includes coordination as required with the cable/phone/internet providers as required for the removal and reinstallation of their exterior equipment, but no financial provisions have been included for any costs as may be required by the providers to perform their work.