

January 7, 2020

County of Guilford North Carolina
301 West Market Street, Suite 400
Greensboro, North Carolina 27401

Attention: Mr. Kirim McGee (via email: kmcgee@guilfordcountync.gov)
Assistant Project Manager

Reference: Proposal for Building Envelope Repair – Phase 1 Project
Event 664, Commodity Code 906-907
SKA Proposal No. 2019-112-122 (Revised 1/7/2020)

Dear Mr. McGee:

SKA Consulting Engineers, Inc. (SKA) is honored to have been selected to perform engineering services for Guilford County and is pleased to provide this proposal that includes providing isolated materials testing, design development, Contract Documents, and Contract Administration during the construction phase. This proposal includes a *Project Summary*, *Proposed Scope of Engineering Services*, *Proposed Compensation*, and *Limitations of Service*.

Project Summary

Based on the information provided by Guilford County in their Request for Qualifications (RFQ), SKA understands that the Scope of Work for the design of repairs for these buildings is limited to the items below at the respective buildings. These repair items are based on investigation reports conducted previously by Terracon (Langford Building and Guilford County Courthouse (High Point)).

Langford Building (325 East Russell Avenue, High Point, NC)

1. Replace damaged masonry.
2. Repoint masonry wall.
3. Seal all wall penetrations.
4. Install masonry sealer.
5. Prep and paint steel lintels.
6. Replace/ install concrete wash at the bottom of the east and south elevations to divert water to the sidewalk.
7. Replace/ repair a window on the north elevation.
8. Replace/ repair other windows as budget allows.
9. Provide Alternate Bid information for window replacement on north elevation.
10. Provide Alternate Bid information for metal siding replacement on the north and west elevations.
11. Provide Alternate Bid information for the repairs to windows on the east elevation.

QUALITY. INTEGRITY. INNOVATION.

Structural Mechanical–Electrical–Plumbing–Fire Protection Building Solutions–Roofing–Waterproofing

Guilford County Courthouse (505 East Green Drive, High Point, NC)

1. Replace skylights, skylight gutters, and counterflashing (with metal coping caps).
2. Repair metal roof panels by removing foam closure at ridge cap and installing new ridge cap with "z" closure.
3. Remove and replace all fasteners in the metal roof system with stainless steel fasteners with EPDM washers.

It is our understanding that the total project budget for this phase is \$800,000.

Project Background –

SKA Consulting Engineers, Inc. (SKA) received a copy of the following information from Guilford County:

- Guilford County Multiple Facilities Water Infiltration Investigation Report 2019, prepared by Technical Assurance dated June 7, 2019 revised August 29, 2019. (facilities: Greene Street Building, Independence Center, Guilford County Detention Center)
- Leak Investigation Report for Guilford County Langford Building, prepared by Terracon Consultants, Inc. Dated August 30, 2019.
- Leak Investigation Report Guilford County Courthouse and Detention Center High Point, North Carolina, prepared by Terracon Consultants, Inc. dated October 9, 2019.
- Building Renovations & Upfit for Dept. of Social Services Guilford County, Drawings prepared by Robbins Architecture, PA, dated 11/19/09.
- Guilford County Governmental Complex Court Building Drawings, prepared by Wm. F. Freeman Associates, dated 12/15/1986

Proposed Project Schedule –

Schematic Design/Design Development submittal: 2/28/2020

Construction Document Submittal: 3/23/2020

Bid: 4/24/2020

Acceptance: 5/1/2021

Proposed Scope of Engineering Services

SKA proposes to perform the following base scope of engineering services:

On-Site Assessment to Inform Design

1. *Initial Visual Review*: For preparation of the design documents, visit the building to conduct a limited visual review to confirm deficient conditions noted in the above-mentioned reports. The review will consist of the following:
 - a. A visual general review from the ground around the exterior of the building with the primary focus on exterior exposed conditions noted, and sealants that make up the facade. Generally, compare conditions to those noted in the reports.

- b. A close-up visual review from the accessible roof areas (OSHA compliant safe walking surfaces) with the primary focus on exterior exposed windows, skylights, metal roofing, brick, and sealants that make up the facade, and roofing. Generally, compare conditions to those noted in the reports. Access onto roof areas shall be coordinated with and provided by Guilford County.
- c. Take measurements (as required), note and confirm construction conditions for the purpose of assisting development of drawings.

Design & Preparation of Documents

- 2. *Review Documents:* Review Construction Documents, Record Drawings, Engineering Reports, Repair Documents, Maintenance Documents or other information associated with the building provided by Guilford County. Conduct on-site interviews with staff while conducting the assessment, if possible.
- 3. Prepare construction drawings and specifications that will contain the technical details and specifications for the general construction repair scope of work identified above.
- 4. Attend the DD submittal and CD submittal Owner's review meetings (2 meetings total) to review the drawings and specifications for the project with Guilford County staff.
- 5. Submit the DD and CD project documents to Guilford County for their review and provide written response to their questions/comments.
- 6. Provide a written opinion of cost for construction based on the scope of work items contained in the DD and CD documents.

Bidding Phase

- 7. Host a Pre-Bid Meeting with Guilford County for potential bidders (one meeting for each building). Prepare addenda with clarifications and minutes of the Pre-Bid Meeting during the bid period.
- 8. Assist with receipt and opening of the bid proposals from the bidders. Prepare a tabulation of the results of the initial receipt of bids.
- 9. Assist Guilford County with the evaluation of bid proposals.
- 10. Finalize and seal the documents for construction and assist Guilford County in preparing the construction contract.

Construction Phase

- 11. Conduct a Pre-Construction Meeting on site with the Contractor and Guilford County representatives (one for each building).
- 12. Review submittals from the Contractor.
- 13. Review and approve pay applications, change orders, and other administrative documents during the construction process.

14. Attend progress meetings on a weekly basis (as requested by Guilford County). Progress meetings will be scheduled to coincide with the site visits (item 14). Prepare minutes from each meeting.
15. Conduct observations of the construction throughout the duration of the Project, SKA has included up to 10 site visits per building (30 total) on a weekly basis (i.e. once every week). SKA will issue a written field observation report (FOR) following each site visit. Work identified as non-compliant will be brought to the attention of the Contractor and Guilford County. Design modifications and new details required to accomplish the intent of the design will be provided for locations where existing conditions are identified that require a modification. Observations are limited to visible portions of the work and will not include observation of all work. Testing of the new construction materials and soils, as well as special inspections, is excluded from this contract.
16. Perform substantial completion and final inspections of the work.
17. Prepare Record Drawings and a Final Report at the conclusion of the Project.

Added Testing Outside of Base Services Scope

18. Additional Brick Masonry Materials Testing: The Langford Building appears to be 60 to 70 years old. No information was provided in the Leak Investigation report that identifies the type of mortar utilized in the original construction. SKA recommends an extraction and laboratory petrographic testing of three (3) mortar samples from the existing walls to confirm the composition of the existing mortar. SKA would coordinate and be on site to observe the mortar extractions, review the testing result and provide a written summary letter of the laboratory findings. Access and the physical removal of the mortar samples and patching are to be performed by a qualified Contractor provided and compensated by Guilford County.
19. Additional Brick Masonry Water Penetration Testing (Langford Building): One of the recommendations provided in the Leak Investigation Report was to install a penetrating sealer on the brick masonry. There is a wide range of products available that meet this requirement. The products have varying costs, effectiveness, maintenance schedules, and durability. SKA proposes to perform six (6) tests in general conformance with the requirements of ASTM C1601 "Standard Test Method for Field Determination of Water Penetration of Masonry Wall Surfaces". Three (3) tests would be performed on the existing conditions to establish the baseline performance of the wall system. A specialty contractor would perform a mock-up of repairs at each test location using one of the proposed solutions (repointing of mortar only, Water repellent "A", and Water repellent "B").

Proposed Compensation

SKA proposes to provide the basic scope and additional services described in Items 1-19 of the Proposed Scope of Services for a lump sum fee of \$96,500.00. Fee summary is provided in the table below:

SKA Item(s) No.	Description	Lump Sum Fee	Acceptance Yes/No	*Estimated Contractor Assistance Costs
1 – 17	Base Services Langford Building Guilford County Courthouse (HP)	 \$34,000.00 \$35,500.00		NA
18	Additional Brick Masonry Materials Testing (Langford)	\$15,000.00		\$5,000
19	Additional Brick Masonry Water Penetration Testing (Langford)	\$12,000.00		\$6,000
	TOTAL	\$96,500.00		\$11,000 +/-

Note: *Fees for the Contractor providing access and performing work related to the applicable Additional Services are not included in SKA fees. SKA will assist the County in obtaining proposals from qualified contractors.

Limitations of Service

The services described in this proposal are subject to the following limitations:

1. All services provided by SKA are subject to SKA's General Conditions of Service (attached). If there is a conflict between SKA's General Conditions of Service and any other part of the Agreement, the provisions of SKA's General Conditions of Service shall take precedence.
2. SKA services are limited to the building components listed in the Proposed Scope of Services. Review of primary structural, mechanical, electrical, plumbing, site/civil,

architectural, ADA, etc. components is excluded. No review of adjacent or adjoining buildings, structures, etc. is included.

3. This proposal and the scope of work are based on a condition assessment and recommendations by others. SKA has not conducted a comprehensive review. Additional assessment recommended in this proposal is meant to allow for refinement of those recommendations if needed. SKA specifically disclaims the validity of approach, results, conclusions and recommendations based on reports provided by others.
4. There are other conditions noted in the Leak Investigation reports that are not covered by this scope of work. SKA specifically disclaims responsibility for conditions that occur that are not specifically addressed in our written scope of work.
5. SKA specifically disclaims any responsibility for assessment of conditions that were not visible or obvious during this review as well as conditions located in areas outside the scope of this review. This review excludes the buried, covered and unexposed portions of the building.
6. Engineering costs for this proposal are based on the scope provided by others. Conditions identified during site review, results of additional optional evaluation conducted during this work, or conditions uncovered during construction, could alter required repair strategy of required effort. This proposal excludes potential additional Engineering effort resulting from these conditions. SKA will provide recommendations based on the optional scopes of work herein for evaluation and potential incorporation by Guilford County.
7. SKA will not be responsible for events or conditions beyond our control (such as unsuitable weather, directives from the building Owner, failure of access equipment, etc.) that alter, delay, or extend the schedule for the proposed services.
8. One or more qualified contractors are required to provide and operate all access equipment (lifts, swing stages, ladders, etc.); to remove samples, to remove components, to repair sample removal locations, to replace components removed, and other services as required to facilitate SKA's performance of services described in the Proposed Scope of Services. This proposal does not include the services of the qualified contractor(s). All qualified contractors are to be retained and compensated by Guilford County. All equipment provided by qualified contractors is to be provided and operated in a safe and OSHA compliant manner. All actions performed by the Contractor must comply with all OSHA requirements for construction sites.
9. The qualified contractor(s) will be responsible for repairing and reinstalling all removed components in a manner that is agreeable to the Owners. SKA will not select or approve finish colors, textures, or other aesthetic aspects of repair of exploratory openings or reinstallation of removed components.
10. It is important to note that not all portions of the specified building components will be accessible nor reviewed during the general visual assessment and additional limited testing activities. As a result, conditions that were not visible or were not obvious during the performance of these activities could exist that would alter SKA's opinions and recommendations. SKA specifically disclaims any responsibility for conditions that were not visible or obvious during the assessment and testing activities.

11. It is also important to note that deterioration of building components is an on-going process. SKA specifically disclaims all responsibility for damage, injury or loss of life that occurs due to failure to implement the recommendations of SKA.
12. The project drawings will be developed in AutoCad format and may include PDF and/or photo images to convey the work.
13. SKA is not qualified to perform any services necessary to identify or evaluate the existence or presence of micro-organisms or myco-toxins including, but not limited to, mold, mold spores or substances commonly referred to as mildew (all referred to collectively hereafter as "mold"). SKA disclaims all liability related to or arising out of claims related to or arising out of mold or any action taken or not taken by any party with respect to mold. By executing this Agreement, Guilford County, for itself and all associated persons and entities, releases SKA and its agents, employees, officers, and insurers from any and all claims, or liability of any type in any way related to or associated with mold.
14. SKA is not qualified to identify, evaluate or abate any hazardous materials (lead, asbestos, PCB's, etc.) within scope areas or components that may be disturbed or contacted during additional testing, assessment and/or construction related activities. SKA requests confirmation that no hazardous materials are contained in any components that might be disturbed by this evaluation. Testing by a third-party industrial hygienist should be conducted to provide confirmation. SKA disclaims all liability related to or arising out of claims related to or arising out of mold or hazardous materials, or any action taken or not taken by any party with respect to hazardous materials. By executing this Agreement, Guilford County, for itself and all associated persons and entities, releases SKA and its agents, employees, officers, and insurers from any and all claims, or liability of any type in any way related to or associated with mold or hazardous materials. Guilford County is to engage and compensate a qualified third-party industrial hygienist to perform the testing and provide a summary report for informing the project.
15. The lump sum fee for Items 6-9 of SKA's Scope of Services includes one bid period per building. Additional bidding services (such as re-bidding, etc.) will be billed by SKA on a lump sum basis at \$3,000 per re-bidding period.
16. The fees described herein are for SKA's services associated with the Scope of Repair Work described in this proposal and includes work within a single phase. The fees may increase if the scope of the construction is altered. Value engineering, inclusion of alternative scopes of work, phasing or redesign caused by additional or changing requirements, will be billed by SKA on an hourly basis consistent with SKA's standard billing rates.

17. Special inspections, if required by the specifications, are excluded from this contract.

18. SKA has not established the construction budget for the scope of repair work and is not responsible for bid costs that exceed the established construction budget of \$800,000.

You may indicate your acceptance of this proposal by signing below and returning a copy to us. SKA appreciates the opportunity to submit this proposal for these services. We look forward to working with Guilford County during this work. Please let us know if you have any questions regarding this proposal.

SKA CONSULTING ENGINEERS, INC.



Scott Singleton, P.E., Project Manager
Greensboro Building Solutions Group



Brett E. Adamson, P.E., Manager
Greensboro Building Solutions Group



Jeffrey S. Miller, P.E.
Principal Engineer / Vice President
Director – SKA Building Solutions Group

Attachment: SKA General Conditions of Service

cc: LLR, TLS - SKA

Proposal Acceptance

The Terms and Conditions of this Agreement (SKA Proposal No. 2019-112-122 (Revised 1/7/2020)) and the attached General Conditions of Service are acceptable to County of Guilford North Carolina:

Signature: _____

Printed Name: _____

Title / Organization: _____

Date: _____



GENERAL CONDITIONS OF SERVICE

These General Conditions of Service are incorporated by reference into the foregoing Letter Proposal from SKA Consulting Engineers, Inc. ("SKA"), and shall be part of the Agreement under which services are to be performed by SKA for Client. The term "Agreement" shall mean the Letter Proposal from SKA, these General Conditions, any Fee Schedule and/or Schedule of Limitations/Exclusions that may be included in or attached to the Letter Proposal, and any other contract documents executed by SKA and Client.

Section 1: Scope of Services. The scope of services shall include all services provided by SKA, in its discretion, which are reasonably necessary and appropriate for the effective and prompt fulfillment of SKA's obligations under the Agreement. It is understood that the scope of services and the schedule, if any, set forth in the Letter Proposal are based on information provided by or on behalf of Client. In performing its scope of services, SKA may rely upon information supplied by or on behalf of Client, the contractors or consultants involved in the project upon which SKA's services are being provided ("the Project"), and information available from generally accepted reputable sources, without independent verification of this information by SKA. If this information is incomplete or inaccurate, or if unexpected conditions are discovered, the scope of services and the schedule and charges for performing the scope of services may change, even as the work progresses.

Section 2: Client's Duties / SKA's Right of Entry / Project Safety. To allow SKA to perform the scope of services, Client shall, at no expense to SKA: (a) provide all information regarding Client's requirements and operations necessary for the orderly progress of SKA's work; (b) designate a representative with authority to transmit and receive instructions and information, and to interpret and define Client's policies and requests for services; (c) provide a safe environment on and around the Project for SKA's work; and (d) provide access to publicly and privately owned property as required for SKA to perform the work, including the use of scaffolds or similar mechanical contrivances. Client grants to SKA, and its consultants and independent contractors, the right to enter the Project and property owned by Client and/or others in order for SKA to perform its work on the Project. Client agrees to obtain all legal rights-of-entry required for SKA to perform its work on the Project, and to hold harmless, indemnify and defend SKA from any alleged damages as a result of any unauthorized entry. SKA will perform work only under conditions deemed safe by SKA's personnel. Client will compensate SKA for any safety or security measures required by hazardous or unsafe job conditions. SKA is not responsible for the safety of other persons or property.

Section 3: Documents. All reports, notes, drawings, specifications, data, calculations, and other documents prepared by SKA shall remain the property of SKA. SKA shall store documents relating to SKA's services under the Agreement for a reasonable time after the completion of SKA's services. SKA will exercise reasonable care in safeguarding these documents, but disclaims any liability for loss of or damage to the documents. Client agrees not to use SKA-generated documents for marketing purposes, nor to use such documents for projects other than "the Project", without SKA's express written authorization. Review and authorization are essential because of the different circumstances associated with such use, including the passage of time.

Client agrees to waive any claim against SKA and to defend, indemnify and hold harmless SKA from any claim or liability for injury or loss or otherwise arising from any party's unauthorized reuse of documents prepared by SKA.

Section 4: Samples. Soil, rock, water and/or other samples obtained from the Project are the property of Client. SKA will have no obligation to maintain or preserve such samples after the completion of SKA's services under the Agreement. SKA shall immediately dispose of all samples unless Client instructs SKA otherwise in writing. Client is responsible for charges for storage by SKA of samples requested by Client. If requested by Client to store samples, SKA will exercise reasonable care in such storage, but disclaims any liability for loss of or damage to samples. In any event, if any such samples are contaminated by hazardous substances or suspected hazardous substances, it shall be Client's sole responsibility to immediately arrange for the lawful disposal of such substances, including the removal of all contaminated samples from the custody of SKA and transporting them to a lawful disposal site. SKA is entitled to dispose of all samples if storage charges are not paid within 45 days of invoice date.

Section 5: Hazardous Materials. "Hazardous materials" includes, but is not limited to, any substance, waste, oil, asbestos, lead, pollutant (including mold and mildew) or contaminant, in whatever form, now or hereafter included with such terms under any federal, state or local statute, ordinance, code, rule or regulation now existing or hereinafter enacted or amended. The scope of services for this Agreement does not include, and expressly excludes, any responsibility for detection, remediation, accidental release, or any services relating to hazardous materials. If SKA encounters, or reasonably suspects that it has encountered, hazardous materials on the Project, SKA shall cease



activity on the Project and promptly notify Client. Client shall initiate action, where appropriate, to identify and investigate the nature and extent of hazardous materials on the Project, and to abate and/or remove the same as may be required by federal, state or local law now existing or hereinafter enacted or amended. Unless otherwise specifically provided in writing, the services to be provided by SKA do not include identification of hazardous materials, and SKA has no duty to identify or attempt to identify the same on the Project. It is further understood and agreed that the services of SKA may be uninsurable as a result of the presence or potential presence of hazardous materials on the Project. If such circumstances arise, Client agrees to hold harmless, indemnify and defend SKA, its employees, consultants, independent contractors and agents, from and against any and all claims, lawsuits, damages, liability and costs, including but not limited to, costs of defense, arising out of or in any way connected with the presence, discharge, release, or escape of hazardous materials.

Section 6: Construction Observation Services. When construction observation services are included in the Agreement, SKA will provide personnel to make periodic observations to determine if construction is in general compliance with the contract documents. Client understands that SKA is not a guarantor or insurer of the work of the contractor or any of its subcontractors. Client understands that the contractor is solely and exclusively responsible for the accuracy and adequacy of construction and for all other activities performed by the contractor and its subcontractors and suppliers, including the methods and means of construction; supervision of personnel and construction; control and operation of machinery; falsework, scaffolding and other temporary construction aids; safety in, on and about the site; and compliance with all OSHA and other applicable state and local governmental agency regulations. SKA's monitoring of the contractor's performance expressly excludes and specifically disclaims any responsibility for review or observation of the adequacy and sufficiency of the contractor's safety measures or of safety conditions on the Project.

Section 7: Standard of Care. Services performed by SKA under this Agreement will be conducted in a manner consistent with that degree of care and skill ordinarily exercised by members of the engineering profession currently practicing in the same locality and under similar circumstances. No other representation, warranty or guaranty, expressed or implied, is included or intended in this Agreement, or in any report, opinion, document, or otherwise provided by SKA to Client.

Section 8: Suspension or Termination of Work. Client may, at any time and for any reason, suspend further services by SKA immediately upon SKA's receipt of written notice from Client. However, Client shall nonetheless remain liable for and shall promptly pay SKA for all services rendered to the date upon which SKA receives the written notice of suspension, plus suspension charges. Suspension charges shall include the cost of assembling documents, personnel and equipment rescheduling or reassignment, and fees or expenses charged as a result of commitments made to others by SKA on Client's behalf. If payment of SKA's invoices by Client is not made when due, SKA may, upon seven days' written notice to Client, suspend performance of services under this Agreement. If payment in full is not received by SKA within seven days of the date of the notice, the suspension shall take effect without further notice. SKA shall not resume services until payment of SKA's invoices are brought current. If SKA's invoices are not brought current within thirty days of the date of the notice, SKA may terminate this Agreement, under which circumstances Client will be liable to SKA for the amounts set forth above associated with Client's termination of the Agreement, plus the reasonable profit anticipated by SKA had SKA fully completed its work under the Agreement, and any other costs or expenses incurred as a result of SKA's cessation of work on the Project. SKA shall have no liability to Client or others for delay or damage caused because of such suspension of services. Client agrees to indemnify, hold harmless and defend SKA from and against any and all claims or liability arising or resulting from any suspension of services.

Section 9: Insurance / Liability. SKA carries workers compensation, general liability and professional liability insurance in amounts consistent with industry standards for firms our size with our average project sizes and annual billings. SKA will furnish appropriate insurance certificates to Client upon request. In the event Client requests that SKA acquire insurance coverage beyond SKA's normal levels of coverage, Client will pay SKA the costs associated with the acquisition of the additional coverage, plus a 10% administrative fee. If for whatever reason SKA cannot reasonably acquire the additional coverage requested by Client, Client agrees that SKA's normal coverage types and amounts are acceptable to Client. Client understands and agrees that SKA's total liability to Client for any and all injuries, claims, losses, expenses, or damages whatsoever, including attorneys' fees and legal expenses, arising out of or in any way related to the Project or this Agreement from any cause or causes, including, but not limited to, SKA's negligence, errors, omissions, breach of contract, or breach of warranty shall not exceed the total amount recoverable from SKA's insurance. Client also understands and agrees that SKA's total liability to Client for any and all injuries, claims, losses, expenses, or damages whatsoever, including attorneys' fees and expenses, as described above which is not covered by insurance coverage, shall not exceed the total of SKA's fees for the services rendered to Client on the Project. SKA shall not be liable for any reason for special, indirect or consequential damages, including loss of use



and lost profit. SKA shall take reasonable precautions to minimize damage to Client's property and/or to property owned by others during the conduct of any SKA field work and testing on the Project. Client understands that in the normal course of this type of work damage to Client's property and/or to property owned by others may occur, and that SKA shall not be liable for such damage.

Section 10: Conflicts of Interest: Client understands that SKA has a broad client base. This assignment may involve parties with adverse interests to clients with whom SKA has current or past relationships. It is SKA's policy to make reasonable attempts to identify such relationships prior to acceptance of a professional assignment, but SKA cannot assure that conflicts or perceived conflicts will not arise, and SKA does not accept and expressly disclaims any costs, expenses or damages claimed by Client for such occurrences.

Section 11: Consultants / Independent Contractors. SKA occasionally retains consultants as independent contractors to assist in the performance of SKA's work. If independent contractors are utilized by SKA on the Project, the services of these independent contractors will be billed to Client at the cost charged by the independent contractor to SKA, plus 10% if the independent contractor has at least \$500,000 of Professional / General Liability insurance, or 20% if the independent contractor has a lesser level of Professional / General Liability insurance. Such consultants shall be afforded the same rights and protections as SKA hereunder.

Section 12: Reimbursable Expenses. SKA will bill direct non-payroll expenses at cost plus 10%. Direct expenses shall include, but shall not be limited to, the following:

- a) Out-of-pocket expenses, such as travel, lodging, and costs for consultants, independent contractors and any other outside services SKA deems reasonably necessary for purposes of performing SKA's work under this Agreement.
- b) Costs of providing copies of receipts or detailed back-up information concerning charges included in SKA's invoices.
- c) Other costs reasonably incurred in the performance of SKA's work on the Project.

In addition to the above, charges for the use of SKA field and laboratory equipment, reproduction facilities, etc., will generally be billed consistent with SKA's current reimbursable rate schedule. Such items not listed on SKA's current reimbursable rate schedule will be billed at approximately 1% of replacement cost per day, subject to adjustment for minimum or extended usage.

Section 13: SKA's Invoices / Payment Terms. SKA's invoices will be based primarily upon the time spent by SKA's personnel involved with SKA's work on the Project, with this time being billed at the rates set forth in SKA's current Fee Schedule. SKA's expenses, including costs associated with SKA's retention of consultants and SKA's reimbursable expenses, will be included in SKA's invoices. SKA's time charges are accrued on an hourly basis, unless other arrangements are established. Minimum time charges for personnel at a job site are 8 hours per day, unless the time of the SKA employee or consultant on the day at issue is also used on another job. Hourly rates are not increased for overtime. Billing rates may be increased annually. Client understands and agrees that time is of the essence with respect to payment of SKA's invoices, and that timely payment is a material part of the consideration for services rendered by SKA under this Agreement. Client is responsible for payment of SKA's invoices, unless arrangements for another party to pay SKA's invoices are made in advance of SKA's performance of work, with said arrangements being made part of this Agreement. In the event that an agent for Client engages SKA on behalf of Client and Client fails to pay SKA's invoices on a timely basis, then Client's agent is also responsible for payment of SKA's invoices. Client shall pay all SKA's invoices, which will be submitted periodically and on a monthly basis, unless otherwise provided in this Agreement. SKA's invoices are due upon receipt by Client and are payable no later than thirty (30) days after the date of the invoice. Interest and finance charges of one and one-half percent (1.5%) per month or eighteen percent (18%) per annum will be assessed on all delinquent balances of principal past due, with interest and finance charges beginning to accrue on the thirty-first (31st) day after the date of the invoice. Any payments received by SKA thereafter shall be first applied to accrued interest and finance charges, and then to the principal balances of the oldest invoices first. If Client reasonably objects to all or any portion of any invoice, Client shall nevertheless timely pay the undisputed amount of such invoice and notify SKA of such objection in writing within fourteen (14) days of the date of the invoice; otherwise, such objections are expressly waived. Client shall pay all expenses and costs, including reasonable



attorneys' fees, incurred by SKA in the enforcement of this Agreement, including expenses and costs incurred by SKA in the collection of amounts owing to SKA.

Section 14: Miscellaneous Provisions.

Precedence: These General Conditions take precedence over any inconsistent or contradictory provisions contained in any other document included in the Agreement.

Entire Agreement: The Agreement constitutes the entire agreement between Client and SKA, supersedes all prior discussions or communications between Client and SKA, and cannot be changed, amended or altered unless in writing and acknowledged by SKA.

Governing Law: The laws of the State of North Carolina shall govern the validity and interpretation of this Agreement.

Mediation: All claims, disputes or controversies arising out of this Agreement shall be submitted to mediation prior to commencement of any legal action to enforce any of the terms of this Agreement, unless otherwise agreed in writing by the parties to this Agreement. This provision does not apply if a statute of limitations or a statute of repose may affect a claim of a party, in which event the party may commence legal action prior to submission of the dispute to mediation. If litigation is filed before mediation of the dispute, the mediation process shall begin within thirty (30) days after service of the summons and complaint, unless otherwise agreed upon by the parties to this Agreement.

No Third Party Liability: SKA's services are being performed solely for Client's benefit. No contractor, subcontractor, supplier, fabricator, manufacturer, tenant, occupant, consultant, or other third party shall have any claim against SKA as a result of SKA's services. Client shall defend, indemnify and hold harmless SKA from any third party claims arising from SKA's services for Client.

Project-Specific Work: SKA's work product, including its conclusions, relates only to the Project. Any use of SKA's work product, including but not limited to its conclusions, on any other project is not authorized by SKA, and SKA accepts no responsibility for any attempt to apply SKA's work product from the Project to any other project.

Transmission of SKA's Work Product: In the event that SKA's work product is stored or transmitted by some form of electronic media, Client agrees that SKA shall not be held liable for the completeness, transmission, accuracy or longevity of these materials, nor for misuse thereof.

Letter Proposal Duration: SKA's Letter Proposal expires 120 days after transmission to Client, unless a different expiration date is included in the proposal. SKA may withdraw or modify its Letter Proposal at any time prior to acceptance by Client.

Legal Process: Client is responsible, after notification from SKA, for payment of SKA's time charges, attorneys' fees and other expenses resulting from a required response by SKA to subpoenas or court orders issued at the request of any person or entity concerning any part of SKA's work associated with the Project. SKA's charges in this regard will be based on SKA's billing rates in effect at the time of SKA's receipt of the subpoena or court order.