

Agreement for Construction Services (Cooperative Contract #OMNIA R220902)

This Agreement ("Agreement") between Williamson County, Texas, a political subdivision of the State of Texas ("Owner") and PaveConnect Logistics, LLC ("Contractor") is entered into in accordance with the following terms and conditions:

ARTICLE 1 SCOPE OF WORK

The Owner desires to retain Contractor for the construction of Liberty Hill CSCD parking lot renovation (hereinafter called the "Project"). The Contractor shall have the overall responsibility for and shall provide complete construction services and furnish all materials, equipment, tools and labor as necessary or reasonably inferable to complete the Project, or any phase of the Project, in accordance with the Owner's requirements and the terms of this Agreement (hereinafter collectively referred to as the "Work").

ARTICLE 2 CONTRACT PRICE

Owner agrees to pay to the Contractor, for the satisfactory performance of the Work, the sum of **Six Thousand Seven Hundred Sixty-Five Dollars and 63/100 (\$6,765.63)** in accordance with the terms and conditions of this Agreement.

ARTICLE 3 PLANS AND SPECIFICATIONS

The Work shall be performed pursuant to and in accordance with the plans and specifications attached hereto as **Exhibit "A"**, as well as any revisions made thereto.

ARTICLE 4 CONTRACT TIME

4.1 Contractor shall commence the Work upon instruction to do so from the Owner and shall achieve Substantial Completion within **thirty (30) calendar days** from the date the Work is commenced; provided, however, Owner may extend said time period in the event bad weather affects the progress of the Work. Unless otherwise specified in writing, Contractor shall achieve Final Completion within **thirty (30) calendar days of Substantial Completion**. Owner shall determine when the Project has been fully and finally completed to its satisfaction. The time set

forth for completion of the work is an essential element of the Agreement.

4.2 Liquidated Damages

Contractor acknowledges and recognizes that Owner is entitled to full and beneficial occupancy and use of the completed Work following expiration of the Contract Time and that Owner has entered into, or will enter into, binding agreements upon Contractor's achieving Substantial Completion of the Work within the Contract Time. Contractor further acknowledges and agrees that if Contractor fails to complete substantially or cause the Substantial Completion of any Phase of the Work within the Contract Time, Owner will sustain extensive damages and serious loss as a result of such failure. In the cases of missed scheduled events, which incur exact losses of revenue and exact expenses for fees and other cancellation costs, Contractor shall be responsible for the exact amount of damages sustained by Owner. In other cases, the exact amount of such damages will be extremely difficult to ascertain. Therefore, Owner and Contractor agree as set forth below:

- 4.2.1** Subject to the other terms and conditions herein, if Substantial Completion is not achieved by the date specified above or by such date to which the Contract Time may be extended, the Contract Price shall be reduced by **five hundred Dollars (\$500) per calendar day** as liquidated damages and not as a penalty, until the date of Substantial Completion. Force majeure shall apply relative to both rain/snow delays (acts of nature) and/or supply delays over which Contractor has no control, and such force majeure delays shall not be subject to such reduction of the Contract Price.
- 4.2.2** Owner may deduct liquidated damages described herein from any unpaid amounts then or thereafter due Contractor under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due Contractor shall be payable by Contractor to Owner at the demand of Owner, together with the interest from the date of the demand at a rate equal to the prime interest rate as published by the Wall Street Journal on the **first (1st) business day** after such amounts are demanded.
- 4.2.3** Notwithstanding anything to the contrary in this Agreement, if Owner is unable to recover any portion of liquidated damages in accordance with the terms and conditions herein because it is found to be unenforceable or invalid as a penalty or otherwise, then, Owner shall be entitled to recover from Contractor all of Owner's actual damages in connection with the failure by Contractor to achieve Substantial Completion of the Work within the Contract Time, including, without limitation, direct, indirect, or consequential damages.

ARTICLE 5 PAYMENT

5.1 Contractor shall receive one lump sum payment of the Contract Price upon completion of the Project.

ARTICLE 6 CONTRACTOR'S GENERAL RESPONSIBILITIES AND COVENANTS

6.1 Contractor shall render, diligently and competently in accordance with the highest standards used in the profession, all Contractor services which shall be necessary or advisable for the expeditious, economical and satisfactory completion of the Project. Contractor agrees to use its best efforts, skill, judgment, and abilities to perform its obligations and to further the interests of Owner in accordance with Owner's requirements and procedures.

6.2 Contractor's duties as set forth herein shall at no time be in any way diminished by reason of any approval by the Owner nor shall the Contractor be released from any liability by reason of such approval by the Owner, it being understood that the Owner at all times is ultimately relying upon the Contractor's skill and knowledge in performing the services required hereunder.

6.3 Contractor is responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. The safety program shall comply with all applicable requirements of the current federal Occupational Safety and Health Act and all other applicable federal, state and local laws and regulations.

6.4 Contractor shall be responsible for all construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work. The Contractor shall keep the Owner informed of the progress and quality of the Work.

6.5 Insurance. Contractor shall carry insurance in the types and amounts indicated below for the duration of the Agreement, which shall include items owned by Owner in the care, custody and control of Contractor prior to and during construction. Contractor must also complete and file the declaration pages from the insurance policies with Owner whenever a previously identified policy period expires during the term of the Agreement, as proof of continuing coverage. Contractor shall update all expired policies prior to submission of any payment requests hereunder. Failure to update policies shall be reason for payment to be withheld until evidence for renewal is provided to the Owner. If the Contractor fails to obtain, maintain or renew any insurance required by this Agreement, the Owner may, among other remedies available hereunder or at law, obtain insurance coverage directly and recover the cost of that insurance from the Contractor or declare this Agreement void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the Owner. All policies of insurance provided by the Contractor must comply with the requirements set forth herein, the Agreement and the laws of the State of Texas.

6.5.1 The Contractor shall provide and maintain, until the Work covered in the Agreement is completed and accepted by the Owner, the minimum insurance coverages in the minimum amounts as described below.

	Type of Coverage	Limits of Liability
.1	Worker's Compensation	Statutory
.2	Employer's Liability	
	Bodily Injury by Accident	\$500,000 Ea. Accident
	Bodily Injury by Disease	\$500,000 Ea. Employee

Bodily Injury by Disease \$500,000 Policy Limit

- .3 Commercial general liability including completed operations and contractual liability insurance for bodily injury, death, or property damages in the following amounts:

COVERAGE	PER OCCURRENCE
Commercial General Liability (including premises, completed operations and contractual)	\$1,000,000
Aggregate policy limits:	\$2,000,000

- .4 Comprehensive automobile and auto liability insurance (covering owned, hired, leased and non-owned vehicles):

COVERAGE	PER PERSON	PER OCCURRENCE
Bodily injury (including death)	\$1,000,000	\$1,000,000
Property damage	\$1,000,000	\$1,000,000
Aggregate policy limits	No aggregate limit	

- .5 Damage to Rented Property/Premises (Ea. Occurrence): \$100,000

- .6 Builder's Risk Insurance (all-risks)

An all-risk policy, in the amount equal at all times to 100% of the Contract Price. The policy shall include coverage for loss or damage caused by certified acts of terrorism as defined in the Terrorism Risk Insurance Act. The policy shall be issued in the name of the Contractor and shall name its Subcontractors as additional insureds. The Owner shall be named as a loss payee on the policy. The builders risk policy shall have endorsements as follow:

- a. This insurance shall be specific as to coverage and not considered as contributing insurance with any permanent insurance maintained on the present premises. If off-site storage is permitted, coverage shall include transit and storage in an amount sufficient to protect property being transported or stored.
- b. For renovation projects and or portions of work contained within an existing structure, the Owner waives subrogation for damage by fire to existing building structure(s), if the Builder's Risk Policy has been endorsed to include coverage for existing building structure(s) in the amount described in the Special Conditions. However, Contractor shall not be required to obtain such an endorsement unless specifically required by the Special Conditions if any. The

aforementioned waiver of subrogation shall not be effective unless such endorsement is obtained.

- .6. Flood insurance when specified in Supplementary General Conditions or Special Conditions.
- .7. Umbrella coverage in the amount of not less than \$5,000,000.

6.5.2 Workers' Compensation Insurance Coverage:

1. Definitions:

(a) Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the Texas Workers' Compensation Commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the Project.

(b) Duration of the Project - includes the time from the beginning of the work on the Project until the Contractor's/person's work on the Project has been completed and accepted by the Owner.

(c) Coverage – Workers' compensation insurance meeting the statutory requirements of the Texas Labor Code, §401.011(44).

(d) Persons providing services on the Project ("subcontractor") - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the Project, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the Project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

2. The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, §401.011(44) for all employees of the Contractor providing services on the Project, for the duration of the Project.
3. The Contractor must provide a certificate of coverage prior to execution of the Agreement/Contract, and in no event later than ten (10) days from Notice of Award. Failure to provide the insurance in a timely fashion may result in loss of Contractor's bid bond.
4. If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the Project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the Owner showing that coverage has been extended.
5. The Contractor shall obtain from each person providing services on a project, and provide to the Owner:

- (a.) a certificate of coverage, prior to that person beginning work on the Project, so the Owner will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
 - (b.) no later than seven days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Project.
6. The Contractor shall retain all required certificates of coverage for the duration of the Project and for one year thereafter.
 7. The Contractor shall notify the Owner in writing by certified mail or personal delivery, within 10 days after the Contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.
 8. The Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
 9. The Contractor shall contractually require each person with whom it contracts to provide services on a project, to:
 - (a) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the Project;
 - (b) provide to the Contractor, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project, for the duration of the Project;
 - (c) provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Project;
 - (d) obtain from each other person with whom it contracts, and provide to the Contractor:
 - i. a certificate of coverage, prior to the other person beginning work on the Project; and
 - ii. a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the Project;
 - (e) retain all required certificate of coverage on file for the duration of the Project and for one year thereafter;
 - (f) notify the Owner in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and
 - (g) contractually require each person with whom it contracts, to perform as required by paragraphs (a)-(g), with the certificates of coverage to be provided to the person for whom they are providing services.

10. By signing the Agreement/Contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the Project will be covered by workers' compensation coverage for the duration of the Project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
 11. The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor which entitles the Owner to declare the Agreement/Contract void if the Contractor does not remedy the breach within ten days after receipt of notice of breach from the Owner.
- 6.5.3 If insurance policies are not written for the amounts specified herein, Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of primary coverage.
 - 6.5.4 Insurance coverage required hereunder shall be written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and rated A- or better by A.M. Best Company, or otherwise acceptable to Owner.
 - 6.5.5 **The Owner ("Williamson County, Texas"), its officials, employees and volunteers shall be named as an additional insured on all required policies.** These insurance policies shall contain the appropriate additional insured endorsement signed by a person authorized by that insurer to bind coverage on its behalf.
 - 6.5.6 The furnishing of the above listed insurance coverage, as may be modified by the Agreement, must be tendered prior to execution of the Agreement/Contract, and in no event later than ten (10) days from Notice of Award. Failure to provide the insurance in a timely fashion may result in loss of Contractor's bid bond.
 - 6.5.7 Owner reserves the right to review the insurance requirements set forth herein during the Agreement and to make reasonable adjustments to the insurance coverage and their limits when deemed necessary and prudent by the Owner based upon changes in statutory law, court decisions, or the claims history of the industry as well as the Contractor.
 - 6.5.8 Owner shall be entitled, upon request, and without expense, to receive complete copies of the policies with all endorsements and may make any reasonable requests for deletion, or revision or modification of particular policy terms, conditions, limitations, or exclusions, except where policy provisions are established by law or regulation binding upon the Parties or the underwriter of any of such policies. Damages caused by the Contractor and not covered by insurance shall be paid by the Contractor.
 - 6.5.9 Contractor shall be responsible for payment of premiums for all of the insurance coverages required hereunder. Contractor further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the Contractor is responsible hereunder, Contractor shall be solely responsible for all deductibles and

self-insured retentions. Any deductibles or self-insured retentions over \$75,000 in the Contractor's insurance must be declared and approved in writing by Owner in advance.

6.5.10 Contractor shall contractually require each person or entity with whom it contracts to provide services in relation to the Work, to comply with every insurance requirement that Contractor must comply with hereunder. More specifically, each person or entity with whom Contractor contracts to provide services on the in relation to the Work must comply with each insurance requirement hereunder just as if such person or entity was the Contractor. Thus, every reference to Contractor under each insurance requirement hereunder shall mean and include each person or entity with whom Contractor contracts to provide services in relation to the Work. If any such person or entity with whom Contractor contracts to provide services in relation to the Work fails to obtain, maintain or renew any insurance required by this Agreement, Owner may, among other remedies available hereunder or at law, obtain insurance coverage directly and recover the cost of that insurance from the Contractor or declare this Agreement void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the Owner.

ARTICLE 7 INDEMNITY

7.1 INDEMNIFICATION - EMPLOYEE PERSONAL INJURY CLAIMS. TO THE FULLEST EXTENT PERMITTED BY LAW, Contractor SHALL INDEMNIFY, DEFEND (WITH COUNSEL OF OWNER'S CHOOSING), AND HOLD HARMLESS OWNER, AND OWNER'S EMPLOYEES, AGENTS, REPRESENTATIVES, PARTNERS, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") AND SHALL ASSUME ENTIRE RESPONSIBILITY AND LIABILITY (OTHER THAN AS A RESULT OF INDEMNITEES' GROSS NEGLIGENCE) FOR ANY CLAIM OR ACTION BASED ON OR ARISING OUT OF THE PERSONAL INJURY, OR DEATH, OF ANY EMPLOYEE OF CONTRACTOR, OR OF ANY SUBCONTRACTOR, OR OF ANY OTHER ENTITY FOR WHOSE ACTS THEY MAY BE LIABLE, WHICH OCCURRED OR WAS ALLEGED TO HAVE OCCURRED ON THE PROJECT SITE OR IN CONNECTION WITH THE PERFORMANCE OF THE WORK. CONTRACTOR HEREBY INDEMNIFIES THE INDEMNITEES EVEN TO THE EXTENT THAT SUCH PERSONAL INJURY WAS CAUSED OR ALLEGED TO HAVE BEEN CAUSED BY THE SOLE, COMPARATIVE OR CONCURRENT NEGLIGENCE OR THE STRICT LIABILITY OF ANY INDEMNIFIED PARTY. THIS INDEMNIFICATION SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION, OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKERS COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEES BENEFIT ACTS.

INDEMNIFICATION - OTHER THAN EMPLOYEE PERSONAL INJURY CLAIMS. TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL OF OWNER'S CHOOSING), AND HOLD HARMLESS OWNER, AND OWNER'S EMPLOYEES, AGENTS, REPRESENTATIVES, PARTNERS, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ARISING OUT OF OR ALLEGED TO BE RESULTING FROM THE PERFORMANCE OF THIS AGREEMENT OR THE WORK DESCRIBED HEREIN, TO THE EXTENT CAUSED BY THE NEGLIGENCE, ACTS, ERRORS, OR OMISSIONS OF CONTRACTOR OR ITS SUBCONTRACTORS, ANYONE EMPLOYED BY THEM OR ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS CAUSED IN WHOLE OR IN PART BY A PARTY INDEMNIFIED HEREUNDER.

7.2 Except for the obligation of Owner to pay Contractor the Contract Price pursuant to the terms of this Agreement, and to perform certain other obligations pursuant to the terms and conditions explicitly set forth herein, Owner shall have no liability to Contractor or to anyone claiming through or under Contractor by reason of the execution or performance of this

Agreement. Notwithstanding any obligation or liability of Owner to Contractor, no present or future partner or affiliate of Owner or any agent, officer, director, or employee of Owner, Williamson County, or of the various departments comprising Williamson County, or anyone claiming under Owner has or shall have any personal liability to Contractor or to anyone claiming through or under Contractor by reason of the execution or performance of this Agreement.

ARTICLE 8 WARRANTY

8.1 Contractor hereby warrants that the materials and equipment provided for the Work will be of good quality and new unless otherwise required or permitted by the Owner; that the construction will be free from faults and defects; and that the construction will conform with the requirements of the plans, specifications, drawings and the terms of this Agreement.

8.2 Contractor shall provide warranty services for the Work for a **full twelve (12) months** following Final Completion and final payment. Just before the warranty period expires, Contractor shall attend an on-site meeting with the Owner to ensure that all warranty issues have been identified and properly remedied.

ARTICLE 9 PREVAILING WAGE RATE

9.1 Duty to Pay Prevailing Wage Rates. The Contractor shall pay not less than the wage scale of the various classes of labor as shown on the "Prevailing Wage Schedule", as defined below. The specified wage rates are minimum rates only, and are not representations that qualified labor adequate to perform the Work is available locally at the prevailing wage rates. The Owner is not bound to pay—and will not consider—any claims for additional compensation made by any Contractor because the Contractor pays wages in excess of the applicable minimum rate contained in the Agreement. The "Prevailing Wage Schedule" is not a representation that quantities of qualified labor adequate to perform the Work may be found locally at the specified wage rates.

9.1.2 For classifications not shown, workers shall not be paid less than the wage indicated for Laborers. The Contractor shall notify each worker commencing work on the Project of the worker's job classification and the established minimum wage rate required to be paid, as well as the actual amount being paid. The notice must be delivered to and signed in acknowledgement of receipt by the employee and must list both the monetary wages and fringe benefits to be paid or furnished for each classification in which the worker is assigned duties. When requested by Owner, competent evidence of compliance with the Texas Prevailing Wage Law shall be furnished by Contractor.

9.1.3 A copy of each worker wage rate notification shall be submitted to the Owner with the Application for Payment for the period during which the worker began on-site activities.

9.2 Prevailing Wage Schedule. Pursuant to Texas Government Code Section 2258.022(2), the general prevailing rate of per diem wages for each craft or type of worker needed to execute the Contract and the prevailing rate for legal holiday and overtime work shall be the most recent prevailing wage rate for Williamson County, Texas for building construction as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments, which are published and can be obtained online

at <https://sam.gov/search/?index=dbra> (the "Prevailing Wage Schedule"). Should the Contractor at any time become aware that a particular skill or trade not reflected on the Prevailing Wage Schedule will be or is being employed in the Work, whether by the Contractor or by a subcontractor, the Contractor shall promptly inform the Owner and shall specify a wage rate for that skill or trade, which shall bind the Contractor.

9.3 Penalty for Violation. The Contractor and any Subcontractor shall pay to the Owner a penalty of sixty dollars (\$60.00) for each worker employed for each calendar day, or portion thereof, that the worker is paid less than the wage rates stipulated in the Prevailing Wage Schedule or any supplement or update thereto pursuant to provisions above. The Contractor and each Subcontractor shall keep, or cause to be kept, an accurate record showing the names and occupations of all workers employed in connection with the Work, and showing the actual per diem wages paid to each worker, which records shall be open at all reasonable hours for the inspection by the Owner.

9.4 Complaints of Violations of Prevailing Wage Rates. Within thirty-one (31) days of receipt of information concerning a violation of Texas Government Code, Chapter 2258, the Owner shall make an initial determination as to whether good cause exists to believe a violation occurred. The Owner's decision on the initial determination shall be reduced to writing and sent to the Contractor or Subcontractor against whom the violation was alleged, and to the affected worker. When a good cause finding is made, the Owner shall retain the full amounts claimed by the claimant or claimants as the difference between wages paid and wages due under the Prevailing Wage Schedule and any supplements thereto, together with the applicable penalties, such amounts being subtracted from successive progress payments pending a final decision on the violation.

9.5 Arbitration Required if Violation not Resolved. After the Owner makes its initial determination, the affected Contractor or Subcontractor and worker have fourteen (14) days in which to resolve the issue of whether a violation occurred, including the amount that should be retained by Owner or paid to the affected worker. If the Contractor or Subcontractor and affected worker reach an agreement concerning the worker's claim, the Contractor shall promptly notify the Owner in a written document signed by the worker. If the Contractor or Subcontractor and affected worker do not agree before the fifteenth (15th) day after the Owner's determination, the Contractor or Subcontractor and affected worker must participate in binding arbitration in accordance with the Texas General Arbitration Act, Chapter 171, Tex. Civ. Prac. & Rem. Code. The parties to the arbitration have ten (10) days after the expiration of the fifteen (15) days referred to above, to agree on an arbitrator; if by the eleventh (11th) day there is no agreement to an arbitrator, a district court shall appoint an arbitrator on the petition of any of the parties to the arbitration.

9.6 Arbitration Award. If an arbitrator determines that a violation has occurred, the arbitrator shall assess and award against the Contractor or Subcontractor the amount of penalty as provided herein and the amount owed the worker. The Owner may use any amounts retained hereunder to pay the worker the amount as designated in the arbitration award. If the Owner has not retained enough from the Contractor or Subcontractor to pay the worker in accordance with the arbitration award, the worker has a right of action against the Contractor and Subcontractor as appropriate, and the surety of either to receive the amount owed, attorneys' fees and court costs. The Contractor shall promptly furnish a copy of the arbitration award to the Owner.

9.7 Prevailing Wage Retainage. Money retained pursuant to this section shall be used to pay the claimant or claimants the difference between the amount the worker received in wages

for labor on the Project at the rate paid by the Contractor or Subcontractor and the amount the worker would have received at the general prevailing wage rate as provided by the agreement of the claimant and the Contractor or Subcontractor affected, or in the arbitrator's award. The full statutory penalty of sixty dollars (\$60.00) per day of violation per worker shall be retained by the Owner to offset its administrative costs, pursuant to Texas Government Code, §2258.023. Any retained funds in excess of these amounts shall be paid to the Contractor on the earlier of the next progress payment or final payment. Provided, however, that the Owner shall have no duty to release any funds to either the claimant or the Contractor until it has received the notices of agreement or the arbitration award as provided in this section.

9.8 No Extension of Time. If the Owner determines that good cause exists to believe a violation has occurred, the Contractor shall not be entitled to an extension of time for any delay arising directly or indirectly from of the procedures set forth in this section.

ARTICLE 10 BONDS:

10.1 Performance Bond. Upon execution of this Agreement, Contractor shall provide a Performance Bond in the amount of 100% of the Contract Price. The surety for a Performance Bond shall meet the requirements of Texas law and the requirements set forth in the Agreement.

10.2 Payment Bond. Upon execution of this Agreement, Contractor shall provide a Payment Bond in the amount of 100% of the Contract Price, as security for the true and faithful payment in full of all subcontractors and persons performing labor, services, materials, machinery, and fixtures in connection with the Work. The surety for a Payment Bond shall meet the requirements of Texas law and the requirements set forth in the Agreement.

10.3 Warranty Bond. Upon Final Completion, Contractor shall provide a Warranty Bond in the amount of 20% of the Contract Price, as security for the true and faithful performance of all warranties set forth in the Agreement.

ARTICLE 11 TERMINATION OR SUSPENSION OF THE AGREEMENT

11.1 Termination by Contractor

If one of the reasons described below exists, the Contractor may, upon thirty (30) business days written notice to the Owner, terminate the Agreement and recover from the Owner payment for Work executed, including reasonable overhead, profit, and costs incurred by reason of such termination:

- 11.1.1** Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- 11.1.2** An act of government, such as a declaration of national emergency that requires all Work to be stopped; or
- 11.1.3** If the Work is stopped for a period of ninety (90) consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Agreement.

11.2 Termination by the Owner for Cause

11.2.1 The Owner may terminate the Agreement if the Contractor:

- 11.2.1.1 Fails to commence the Work in accordance with the provisions of the Agreement;
- 11.2.1.2 Fails to prosecute the Work to completion thereof in a diligent, efficient, timely, workmanlike, skillful and careful manner and in strict accordance with the provisions of the Agreement;
- 11.2.1.3 Fails to use an adequate amount or quality of personnel or equipment to complete the Work without undue delay;
- 11.2.1.4 Fails to perform any of its obligations under the Agreement;
- 11.2.1.5 Fails to make prompt payments when due to its Subcontractors and Suppliers, or as required by **Texas Government Code, Chapter 2251**;
- 11.2.1.6 Files any petition or other pleading seeking any relief under any provisions of the Federal Bankruptcy Act, as amended, or any other federal or state statute or law providing for reorganization of debts or other relief from creditors, permits a receiver or other person to be appointed on account of its insolvency or financial condition, or becomes insolvent;
- 11.2.1.7 Creates any situation or state of facts which would authorize or permit an involuntary petition in bankruptcy to be filed against Contractor; or
- 11.2.1.8 Has not met or in Owner's opinion will not meet the dates of Substantial Completion set forth in the Agreement.

11.2.2 When any of the reasons under **Paragraph 11.2.1** exist, the Owner, in its sole and absolute discretion, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, **thirty (30) calendar days** written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety, exclude the Contractor from the Project site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor; accept assignment of subcontracts of Contractors subcontractors; and finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

11.2.3 When the Owner terminates the Agreement for one of the reasons stated in **Paragraph 11.2.1**, the Contractor shall not be entitled to receive payment until the Work is finished. In the event that it is determined that sufficient cause did not exist for termination under this **Section 11.2**, then the termination shall be considered a termination for convenience, under **Section 11.4**, below.

11.2.4 If the unpaid balance of the Contract Price exceeds costs of finishing the Work, including compensation for expenses made necessary thereby, and other damages and costs incurred by the Owner in finishing the Work and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner.

11.3 Suspension by the Owner for Convenience

11.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

11.3.2 The Contract Price and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in **Paragraph 11.3.1**. Adjustment of the Contract Price shall include profit. No adjustment shall be made to the extent:

11.3.2.1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or

11.3.2.2 that an equitable adjustment is made or denied under another provision of the Agreement.

11.4 Termination by the Owner for Convenience

11.4.1 The Owner may, at any time, terminate the Agreement for the Owner's convenience and without cause.

11.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

11.4.2.1 Cease operations as directed by the Owner in the notice;

11.4.2.2 Take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and

11.4.2.3 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.

11.4.3 Upon Owner's termination for convenience, costs of the Work executed, including reasonable overhead and profit, incurred to and including the date of termination, will be due and payable to Contractor in accordance with the Agreement.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.1 Interest and Late Payments. Owner's payment for goods and services shall be governed by Chapter 2251 of the Texas Government Code. Interest charges for any overdue payments shall be paid by Owner in accordance with Texas Government Code Section 2251.025. More specifically, the rate of interest that shall accrue on a late payment is the rate in effect on September 1 of Owner's fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%); and (2) the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

In the event that an error appears in an invoice/application for payment submitted by Contractor, Owner shall notify Contractor of the error not later than the twenty first (21st) day after the date Owner receives the invoice/application for payment. If the error is resolved in favor of Contractor, Contractor shall be entitled to receive interest on the unpaid balance of the invoice/application for payment submitted by Contractor beginning on the date that the payment for the invoice/application for payment became overdue. If the error is resolved in favor of the Owner, Contractor shall submit a corrected invoice/application for payment that must be paid in accordance within the time set forth above. The unpaid balance accrues interest as provided by Chapter 2251 of the Texas Government Code if the corrected invoice/application for payment is not paid by the appropriate date.

12.2 Audits. Contractor agrees that Owner or its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of Contractor which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. Contractor agrees that Owner shall have access during normal working hours to all necessary Contractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. Owner shall give Contractor reasonable advance notice of intended audits.

12.3 Assignment. This Agreement is a personal service contract for the services of Contractor, and Contractor's interest in this Agreement, duties hereunder and/or fees due hereunder may not be assigned or delegated to a third party.

12.4 Governing Law and Venue. This Agreement and all of the rights and obligations of the parties and all of the terms and conditions shall be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas without reference to its conflicts of law provisions. Williamson County where the Project is located shall be the sole place of venue for any legal action arising from or related to this Agreement or the Project in which the Owner is a party.

12.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted assigns and successors.

12.6 Notices. All notices, consents, approvals, demands, requests or other communications relied on by the parties shall be in writing. Written notice shall be deemed to have been given when delivered in person to the designated representative of the Contractor or Owner for whom it is intended; or sent by U. S. Mail to the last known business address of the designated representative; or transmitted by fax machine to the last known business fax number of the designated representative. Mail notices are deemed effective upon receipt or on the third business day after the date of mailing, whichever is sooner. Fax notices are deemed effective the next business day after faxing.

12.7 Severability. Should any term or provision of this Agreement be held invalid or unenforceable in any respect, the remaining terms and provisions shall not be affected and this Agreement shall be construed as if the invalid or unenforceable term or provision had never been included.

12.8 Relationship of the Parties. Contractor shall be an independent contractor under this agreement and shall assume all of the rights, obligations, liabilities, applicable to it as such independent contractor hereunder and any provisions in this agreement which may appear to give Owner the right to direct Contractor as to details of doing the Work herein covered or to exercise a measure of control over the Work shall be deemed to mean that Contractor shall follow the desires of Owner in the results of the Work only. Owner shall not retain or have the right to control the Contractor's means, methods or details pertaining to the Contractor's performance of the Work described herein, nor shall Owner have the power to direct the order in which Contractor's Work is performed under this agreement. Owner and Contractor hereby agree and declare that Contractor is an Independent Contractor and as such meets the qualifications of an Independent Contractor under Texas Worker's Compensation Act, Texas Labor Code, Section 406.141, that the Contractor is not an employee of Owner for purposes of this Agreement, and that the

Contractor and its employees, agents and sub-subcontractors shall not be entitled to worker's compensation coverage or any other type of insurance coverage held by Owner.

12.9 Force Majeure. If the party obligated to perform is prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of said party, the other party shall grant such party relief from the performance of this Agreement. The burden of proof for the need of such relief shall rest upon the party obligated to perform. To obtain release based on force majeure, the party obligated to perform shall file a written request with the other party.

12.10 No Waiver of Sovereign Immunity. Nothing herein shall be construed as a waiver of sovereign immunity by Williamson County.

12.11 Current Revenues. Under Texas law, a contract with a governmental entity that contains a claim against future revenues is void; therefore, each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

12.12 Compliance with Laws. Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, minimum and maximum salary and wage statutes and regulations, licensing laws and regulations. When required, Contractor shall furnish the County with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

12.13 Entire Agreement & Incorporated Documents; Conflicting Terms. This Agreement constitutes the entire agreement between the parties and may not be modified or amended other than by a written instrument executed by both parties.

The following documents shall comprise the Contract Documents:

1. This Agreement between County and Contractor;
2. Exhibit "A" – Plans and Specifications;
3. Addenda issued prior to the Effective Date of this Agreement;
4. Cooperative Contract # OMNIA R220902; and
5. All Change Orders and any other Modifications issued after the Effective Date of this Agreement.

In the event of a dispute or conflict relating to the terms and conditions of the Contract Documents, applicable documents will be referred to for the purpose of clarification, conflict resolution or for additional detail in the following order of precedence:

1. This Agreement between County and Contractor;
2. Exhibit "A" – Plans and Specifications;
3. Addenda issued prior to the Effective Date of this Agreement;
4. Cooperative Contract # OMNIA R220902; and
5. All Change Orders and any other Modifications issued after the Effective Date of this Agreement.

BY SIGNING BELOW, the Parties have executed and bound themselves to this Agreement to be effective as of the date of the last party's execution hereof.

GC:
PaveConnect Logistics, LLC

COUNTY:
Williamson County, Texas
a political subdivision of the state of Texas

By: 
Signature

By: _____
Signature

Rachel Mooney
Printed Name

Printed Name

Procurement Manager
Title

Title

Date Signed: 3/1/2024

Date Signed: _____

Exhibit “A”

Plans and Specifications

NEW ASPHALT INSTALLATION

- Install up to 2" of TXDOT Type D asphalt in the currently gravel area.
- Finish and compact.
- Continue the fire lane striping through the new asphalt area.

Liberty Hill - CSCD Parking Lot





PaveConnect

NATIONAL PAVING SERVICES



Customer Name: _____

Contact Name: _____

Project Name: _____

Project Address: _____

City: _____ State: _____ Zip: _____

Project #: _____ Contract # / CPN #: _____

Project Type: _____

Submittal Date: _____

Sales Manager Name: _____

Sales Manager Phone: _____

Sales Manager Email: _____

The proposed prices are based on current material and energy costs, current production schedule and all noted assumptions made herein. Some of these factors are very volatile and represent significant factors that influence the proposed prices.

OVERVIEW



SCOPE OF WORK

 Base Bid:


 Safety and Project Preparation:

 Miscellaneous:

SCOPE OF WORK

#	Description	Quantity	Units	Cost	Total Cost
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					
Total :					
Taxes & Fees* :					
Base Bid Total :					

**All applicable taxes included. See all terms, conditions, & exclusions.*


Base Bid Total: _____

ALTERNATIVE BIDS

»» The following alternate proposals modify the Base Proposal as indicated as below. Price breakdown available upon request.

Alternate Option #1:
Description:

Total: _____

PREVENTATIVE MAINTENANCE OPTIONS

» You've made the investment and now have a new or recently maintained parking lot. The key to extending the life of this asset is proper maintenance and the completion of timely repairs on a yearly basis or when the need for maintenance is first noticed.

PaveConnect has developed an asset management program to help you complete this very important task. Our program evaluates your lot yearly for liability risks, ADA specifications, other compliance related issues, levels of failure and more. We then create a customized program, with prescribed steps for maintenance. We will have a primary contact for repairs and supply you numbers to allow for budgeting and planning for the future.

A parking lot without potholes, ponding water, that has proper lighting and has fresh new striping is a very inviting space. Your parking lot is more than just a place to park cars, it is often where a customer's first impression of your companies is made, not to mention your parking lot is one of the largest investments your business has.

With PaveConnect's asset management program for your parking lot, you can take comfort in having budgeted numbers for the future, while providing employees, customers, and community a well maintained parking lot.

Annual Inspection Cost: \$750.00 per inspection

For more information about how Preventative Maintenance can save you money on the total cost of ownership of your parking lot, see attached Parking Lot Total Cost of Ownership worksheet.

PAYMENT TERMS


» Schedule or Reimbursement

- _____ due upon delivery of materials
- _____ due upon substantial completion of project
- _____ due upon acceptance and issuance of warranty

Notes: The above work including tax, insurance, warranties, hosting, and all safety equipment are included in this proposal.

» Exclusions:

ACCEPTANCE OF TERMS


 As authorized representative of _____, I hereby accept the proposal, summarized as follows:

Proposed Item	Price	Accept
Base Bid		<input type="checkbox"/>
Additional Striping Bid		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Accepted By:

Name: _____

Signature: _____

Approval Date: _____

Approved Contract Amount: _____

Purchase Order Number: _____

PROJECT AGREEMENT TERMS AND CONDITIONS

1. This proposal is not an offer to enter into a contract but, instead, is submitted for Customer's information and consideration with the understanding that it must be approved by PaveConnect after its acceptance by Customer and is not binding upon PaveConnect until so approved in writing.
2. Customer's acceptance of this proposal constitutes Customer's acceptance of these Terms and Conditions. Any additional or different terms or conditions set forth in Customer's purchase order or in any other agreement between Customer and PaveConnect are hereby rejected by PaveConnect and shall not be binding or effective unless assented to in writing by an authorized representative of PaveConnect. If there is a conflict between the provisions in these Terms and Conditions and any other agreement between Customer and PaveConnect, then Customer agrees that these Terms and Conditions will control and supersede the provisions of any other agreement between the parties. Any order or any statement of intent to proceed or any direction to proceed with installation or acceptance of this proposal or payment in full or partial payment for any of the work or equipment furnished shall constitute Customer's acceptance of the terms and conditions of this proposal.
3. Customer will promptly pay PaveConnect's invoices upon receipt. Any invoice will be considered delinquent after 30 days, unless specified in a previous agreement or contract. If Customer fails to timely pay any of PaveConnect's invoices, PaveConnect may stop work under this Agreement without notice and/or cancel this Agreement, and the entire Agreement amount shall become due and payable immediately upon demand. In addition, PaveConnect reserves the right to file a lien for unpaid invoices or exercise any other legal remedies available to PaveConnect. Any invoices that are not timely paid will accrue interest at the rate set forth in any applicable prompt payment statute under the laws of the State where the Project is located. Customer agrees to pay all attorneys' fees, expert fees, and other costs incurred by PaveConnect to collect payment under this Agreement. In addition, in the event of a dispute between the parties, Customer agrees to pay all attorneys' fees, expert fees, and other costs incurred by PaveConnect to prosecute or defend against any claims arising out of or related to PaveConnect's performance of this Agreement whether asserted by Customer or any other person or entity.
4. Customer acknowledges that PaveConnect is not an insurance adjuster. PaveConnect can note legally negotiate directly with Customer's insurance carriers on Customer's behalf. Customer shall be solely responsible for payment in full to PaveConnect for the work and any reimbursement to Customer by an insurance carrier shall be Customer's sole responsibility to negotiate and resolve.
5. If PaveConnect knowingly encounters asbestos or other hazardous substances on the site, PaveConnect will stop work and report the condition to the Customer or Owner. PaveConnect will not be required to resume work in the affected area until the asbestos or other hazardous substances have been removed or otherwise controlled so that it does not pose a health or safety threat. Customer agrees to indemnify, hold harmless, and defend PaveConnect against any claims, damages, or causes of action arising out of asbestos or other hazardous substances on the site.
6. Any work scheduled dates given in advance are estimated. Work will be subject to prior orders with PaveConnect. PaveConnect shall not be liable for failure to perform or delay in performance hereunder resulting from fire, labor difficulties, delays in usual sources of supply, major changes in economic conditions, or, without limitation by the foregoing, any cause beyond PaveConnect's reasonable control. PaveConnect shall be entitled to an extension of time for performance of its work for any delays that are the result of anything other than the negligence or wrongful misconduct of PaveConnect.
7. All skilled or common labor that may be furnished by the Customer shall be considered and treated as

PROJECT AGREEMENT TERMS AND CONDITIONS

Customer's own employees, and Customer agrees to indemnify, hold harmless, and defend PaveConnect against all claims for accidents or injuries to such employees in the course of the work, or to any person or persons through the negligence of such employees.

8. No oral representations are binding upon PaveConnect unless reduced to writing and signed by authorized representatives of both PaveConnect and the Customer. All changes to this Agreement, or to the materials or equipment being provided under this Agreement, must be in writing.

9. Workmanship Warranty: PaveConnect will warrant all workmanship for the period of 12 months from the date that PaveConnect completes its work on the Project. This one-year warranty excludes any defects in the materials installed. No full system watertight warranty is provided, unless otherwise specified.

OTHER THAN THE EXPRESS WARRANTIES STATED HEREIN, PAVECONNECT MAKES NO OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, WITH REGARD TO THE LABOR, MATERIALS, AND/OR EQUIPMENT FURNISHED UNDER THIS AGREEMENT OR WITH REGARD TO THE WORK ITSELF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED.

10. Indemnity. PaveConnect and Customer agree to indemnify and to hold each other, including their officers, agents, directors and employees, harmless from all liabilities, costs (including attorneys' fees), claims, demands, or suits of any kind resulting from the negligence or wrongful conduct or breach of this Agreement by the indemnifying party or its employees, contractors or agents, including, without limitation, liabilities, costs, claims, demands, or suits for personal injury or property damage. This indemnity only requires the indemnifying party to indemnify the other party to the extent that such liabilities, costs (including attorneys' fees), claims, demands, or suits of any kind are the result of the indemnifying party's negligence, wrongful conduct or breach of this Agreement.

11. Limitation of Liability. Customer agrees that PaveConnect's liability for any damages arising out of this Agreement shall be limited to the lesser of: (i) the total costs of PaveConnect's labor and materials; or (ii) twenty-five thousand dollars (\$25,000.00). This limitation of liability applies to all claims that arise out of PaveConnect's performance of the work under this Agreement, including, without limitation, claims for loss or damage arising out of this Agreement or from the performance or breach thereof, or connected with the supplying of any labor, equipment, goods or material hereunder, or their sale, resale, operation or use, whether based on contract, warranty, tort (including negligence) or other grounds. PaveConnect shall not, in any circumstance, including, but not limited to, breach of contract, warranty, tort (including negligence) or other grounds be liable for special, consequential; incidental; delay (including liquidated damages), exemplary, or punitive damages including, but not limited to, damages for lost profits, lost revenues, business interruption, loss of the product or any associated product, cost of capital, cost of substitute products, cost of substitute facilities or services, delay damages (including liquidated damages), downtime costs, home office overhead, extended general conditions costs, or claims of the Customer for such damages. If PaveConnect furnishes Customer with advice or other assistance that concerns any labor, equipment, goods, or material furnished hereunder, or any systems or equipment in which of any such equipment, goods, or material may be installed, and which is not required pursuant to this Agreement, the furnishing of such advice or assistance will not subject PaveConnect to any liability, whether based on contract, warranty, tort (including negligence) or other grounds.

12. PaveConnect is not responsible for any property damage, including damage to landscaping, except to the extent such damage is caused by the negligence or wrongful conduct of PaveConnect and is not covered

PROJECT AGREEMENT TERMS AND CONDITIONS

by any insurance policy insuring the Project or the Work. PaveConnect shall have no liability to pay for any deductibles related to any insurance policy.

13. Customer shall ensure that there is a place at the site where PaveConnect can safely store all materials or equipment that will be included in PaveConnect's work. Customer accepts full responsibility and any damages to PaveConnect's stored materials or equipment. Customer shall provide all trash dumpsters for PaveConnect's use on the Project, unless otherwise specified and agreed upon by PaveConnect and Customer or Owner.

14. PaveConnect's proposal assumes that the site will be available and accessible to PaveConnect during normal business hours, unless stated otherwise in the agreed upon scope of work. If this assumption is incorrect, then PaveConnect shall be entitled to a change order for any increased costs incurred by PaveConnect due to different working hours.

15. Governing Law. This Agreement shall be governed by the laws of the State of Illinois

16. Arbitration. Any and all disputes arising out of this Agreement shall be decided by binding arbitration pursuant to the Construction Industry Rules of the American Arbitration Association. The location for the arbitration hearing shall be in Geneva, IL. Customer agrees to the joinder of any third parties in the arbitration at the request of PaveConnect.

TO THE FULLEST EXTENT ALLOWED BY LAW, CUSTOMER AND PAVECONNECT SPECIFICALLY WAIVE THE RIGHT TO A JURY TRIAL.

17. Exclusions. The following items, unless specifically included in PaveConnect's agreed to scope of work, are excluded from PaveConnect's proposal and are not included in this Agreement:

- Bonds of any kind
- Costs for permits or third-party inspections
- Overtime, after-hours work, or work on any legally recognized holiday
- Provisions for LEED Certification or any other type of green building certification
- Painting or repair of any damaged property, including landscaping
- Labor or materials not specifically identified in PaveConnect's proposal
- Asbestos abatement or abatement of any other hazardous material
- Security services

Parking Lot Total Cost of Ownership - Reactive vs. Preventative Maintenance

In general, maintenance falls into two categories: Reactive and Preventative.

Reactive Maintenance focuses on repairing an asset once failure occurs. Proactive maintenance, however, focuses on avoiding repairs and asset failure through preventive and predictive methods.

The Benefits of Preventative Maintenance

Preventative maintenance is a management strategy to provide and maintain serviceable parking lots. It is a multi-year planned strategy to select most effective treatments to preserve pavement assets, to impede their future deterioration and to maintain or to improve their functional condition without increasing their structural capacity.

Preventative maintenance typically includes corrective and preventive maintenance as well as minor rehabilitation. The concept behind proactive maintenance is presented in Fig. 1.

As compared to reactive approach, proactive approach promotes carefully selected maintenance activities applied

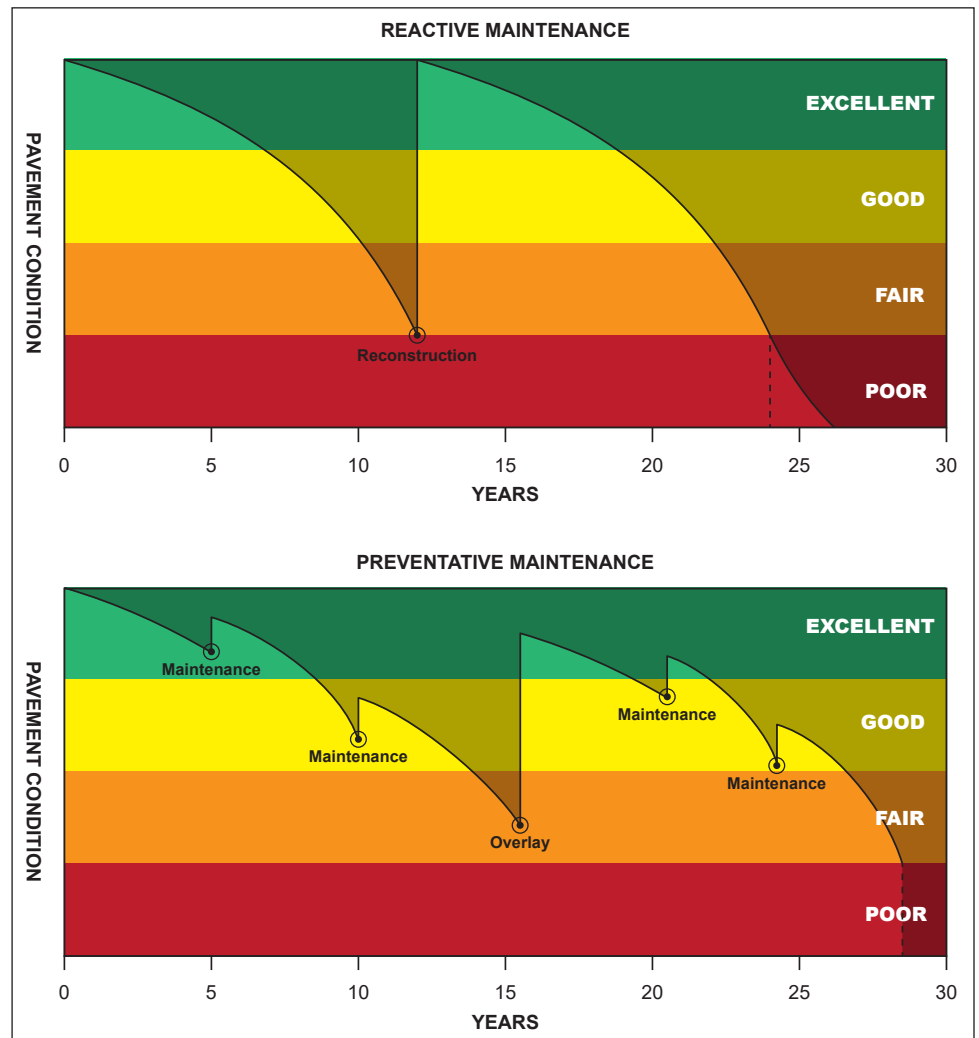


Fig. 1

Total Cost of Ownership - Reactive vs. Preventative Maintenance			
Reactive Maintenance		Preventative Maintenance	
Install number	\$ 225,000.00	Install number	\$ 225,000.00
		6 month inspection	\$ 750.00
Reactive Maintenance		SealCoat, crackseal and stripe	\$ 11,000.00
Restriping	\$ 2,000.00	Every other year inspection	\$ 3,750.00
Patching	\$ 15,000.00	2 Sealcoats	\$ 22,000.00
		Patching as needed	\$ 5,000.00
Total Reconstruction at 12 years	\$ 225,000.00		
		Overlay at 16 years	\$ 40,000.00
Reactive Maintenance		Striping	\$ 2,000.00
Restriping	\$ 2,000.00	6 month inspection	\$ 750.00
Patching	\$ 15,000.00	SealCoat, crackseal and stripe	\$ 11,000.00
		Every other year inspection	\$ 3,750.00
Total Cost	\$ 484,000.00	2 Sealcoats	\$ 22,000.00
Total Years	24	Patching as needed	\$ 5,000.00
Cost Per Year	\$ 20,166.67	Total Cost	\$ 352,000.00
		Total Years	28
		Cost Per Year	\$ 12,571.43

Fig. 2

at optimal timing that allow to keep pavements in very good condition.

Total Cost of Ownership

Choosing to pursue a preventative maintenance plan can save you money and also extend the life of your parking lot. In the example in Fig. 2 (left), a case study was performed, comparing total cost of ownership when a preventative maintenance plan is enacted versus the cost of maintaining your parking lot reactively.

The preventative maintenance plan not only extends the life of your parking lot, but saves you 37% of the total cost per year!