

Contract Agreement

This Agreement, made and entered into this 3 day of March in the year 2011 The Village of Roscommon hereinafter called OWNER, and Parath Contractors Inc. hereinafter called CONTRACTOR, in consideration of the mutual covenants hereinafter sent forth, agree as follows:

ARTICLE 1. WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

2011 Village of Roscommon M-18 Development Water Main Project

ARTICLE 2. CONTRACT TIME

- 2.1 The Work will be completed and ready for final payment in accordance with the number of project days as indicated in the Bid Documents and provided by the CONTRACTOR. The number of work days indicated in the bid Documents is 20 days.
- 2.2 All engineering and inspection costs incurred after the specified completion date shall be paid by the CONTRACTOR to the OWNER prior to final payment authorization. Charges shall be made at such times and in such amounts as the ENGINEER shall invoice the OWNER, provided however said charges shall be in accordance with the ENGINEER's current rate schedule at the time the costs are incurred. The engineering and inspection costs incurred after the specified completion date shall be deducted from the CONTRACTOR's progress payments.
- 2.3 Liquidated Damages. OWNER and CONTRACTOR recognize that time is of the essence and that the OWNER will suffer financial loss if the Work is not substantially complete in the number of Work days as specified in the bid documents and in item 2.1 above, plus any extensions thereof allowed. They also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by OWNER if the Work is not substantially complete on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for the delay (but not as a penalty) CONTRACTOR shall pay OWNER Four Hundred Dollars (\$400.00) for each day that expires after the time specified in paragraph 2.1 for substantial completion until the Work is complete. Liquidated damages charged shall be deducted from the CONTRACTOR's progress payment.

ARTICLE 3. CONTRACT PRICE

- 3.1 OWNER shall pay CONTRACTOR as provided in the attached Proposal for performance of the Work in accordance with the Contract Documents.

ARTICLE 4. PAYMENT PROCEDURES

Progress payments and retain age under this Contract are governed by the provisions of PA 1980, No. 524 (MCLA 125.1561 et seq.). That Act is incorporated herein by reference and made a part of this Contract. Without excluding any provisions of the Act from this Contract, but in order to comply therewith and summarize certain provisions, the following shall apply:

- 4.1 The persons representing the CONTRACTOR who will submit written requests for progress payments shall be James L Parath.
- 4.2 The person representing the OWNER whom requests for progress payments are to be submitted to shall be: Mr. Tim Sadowski, Village Manager, The Village of Roscommon.

- 4.3 The CONTRACTOR's representative, listed above, shall submit Application for Payment on the form provided in the Contract Documents.

ARTICLE 5. CONTRACTOR'S REPRESENTATIONS

In order to induce OWNER to enter into this Agreement, CONTRACTOR makes the following representations:

- 5.1 CONTRACTOR has considered the nature and extent of the Contract Documents, Work, locality and conditions and federal, state and local laws, and regulations that may affect cost, progress, performance or furnishing of the Work.
- 5.2 CONTRACTOR has studied carefully all reports of investigations and latent physical conditions of the site or otherwise affecting cost, progress or performance of the Work which were relied upon in the preparation of the Plans and Specifications and which have been identified in the Contract Documents.
- 5.3 CONTRACTOR has made or caused to be made examinations, investigations and tests and studies of such reports and related data in addition to those referred to in paragraph 5.2 as he deems necessary for the performance of the Work and the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, test, reports or similar data are or will be required by CONTRACTOR for such purposes.
- 5.4 CONTRACTOR has correlated the results of all observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.
- 5.5 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

ARTICLE 6. CONTRACT DOCUMENTS

The Contract Documents which comprise the entire Contract between OWNER and CONTRACTOR are attached to this Agreement, made a part hereof and consist of the following:

- 6.1 This Agreement
- 6.2 Bid Form
- 6.3 Performance and other Bonds (Provided by Contractor)
- 6.4 Proof of Insurance
- 6.5 Instructions to Bidders
- 6.6 Specifications (in project manual dated 2/1/2011)
- 6.7 Plans consisting of sheets numbered C1-C3, inclusive
- 6.8 Any Modification, including Change Orders, duly delivered after execution of Agreement.

ARTICLE 7. MISCELLANEOUS

- 7.1 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on any other party without the written consent of the party sought to be bound; and specifically but not without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of the restriction may be limited

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by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

- 7.2 OWNER and CONTRACTOR each binds himself, his partners, successors, assigns and legal representatives to the other party hereto, his partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement in 1 counterparts, 1 counterpart(s) each has been delivered to the OWNER and CONTRACTOR, one counterpart has been delivered to the ENGINEER. All portions of the Contract Documents have been signed as indicated by the OWNER and CONTRACTOR.

This Agreement will be effective on March 3, 2011

OWNER: The Village of Roscommon

By: Timothy Matthew Sadoski

Village Manager

Attest: Janae R Ostery

Address for giving notices:

PO Box 236
214 South Main Street
Roscommon, MI 48653

(If OWNER is a public body attach evidence of authority to sign and resolution or other document authorizing execution of Agreement)

CONTRACTOR:

By: James L Parath

Owner

Attest: JLP M 7

Address for giving notices:

Parath Contractors Inc.
960 S. Harrison rd
Houghton Lake Mi. 48629

License No. A 714 051 2102139104

Agent for service of process:

Village Clerk
Dawn M. Dodge

VILLAGE OF ROSCOMMON
Minutes of the February 28, 2011 Regular Council Meeting

President Jesse Carlson called the meeting to order at 7:00 PM. Members of the Council present were Jesse Carlson, Mike Butler, Marc McKee, Erine Adams, Joan Murphy, Jon Suvada and Steve Morris. Absent: None. Others present at the meeting were: Marc McKee Jr., Kristen Tacey, Joanne Lederman, Doug Nagel, Ginny Nagel, John May, Deanne Beardslee, Don Dixon, Pam Tucker, Elaine Karjalainen, Dan Fishel and Dawn Dodge. The Pledge of Allegiance was recited and an Invocation given by Trustee Morris.

REGULAR AGENDA

Trustee Morris would like to add village cleanup to the agenda under New Business. Moved by Butler, seconded by Adams, to accept the Regular Agenda with the addition of Village Cleanup to New Business. Hearing no objections, the motion carried.

PUBLIC COMMENT

None

CONSENT AGENDA

Moved by Adams, seconded by Murphy, to approve the consent agenda including the Minutes of the February 14, 2011 Regular Meeting, checks written since last meeting of \$31,071.28, bills presented for payment in the amount of \$32,711.86, including an additional bill for the H.S.A. contribution for Dawn Dodge. Ayes: Murphy, Morris, Suvada, Butler, Carlson, McKee and Adams. Nays: None. The motion carried.

MANAGER'S REPORT

Manager Sadowski gave his report.

Moved by Murphy, seconded by Adams, to accept the contract with Porath for the M-18 water main project in the amount of \$9,290. Ayes: Suvada, Butler, Adams, Murphy, McKee, Morris and Carlson. Nays: None. The motion carried.

Moved by Adams, seconded by Butler, to approve the payment of the invoice to Alvin Steward in the amount of \$556.72. Ayes: Carlson, Morris, McKee, Suvada, Adams, Murphy and Butler. Nays: None. The motion carried.

Moved by Butler, seconded by Suvada, to purchase the server from Bowen Technology in the amount of \$2,977.41. Ayes: Morris, Murphy, Carlson, Suvada, Butler and Adams. Nays: McKee. The motion carried.

COMMITTEE REPORTS

Trustee Morris gave an update of the Ordinance Committee meeting of February 23, 2011. The snowmobile ordinance was discussed. There will be another meeting on March 23, 2011. The AuSable River Committee was also discussed during the Ordinance Committee meeting.