TOWN OF VALDESE TOWN COUNCIL REGULAR MEETING DECEMBER 5, 2022

The Town of Valdese Town Council met on Monday, December 5, 2022, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Town Clerk Jessica Lail, and various Department Heads.

Absent: Ward 1 Vacant Seat

A quorum was present.

Mayor Watts called the meeting to order at 6:00 p.m. He offered the invocation and led in the Pledge of Allegiance to the Flag.

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment.

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address, and subject matter about which they wish to speak. Comments should be limited to <u>five minutes</u> per speaker.

No comments from the public.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF NOVEMBER 7, 2022

APPROVED SPECIAL MEETING MINUTES OF NOVEMBER 15, 2022

APPROVED RESOLUTION ADOPTING 2023 TOWN COUNCIL MEETING SCHEDULE:

TOWN OF VALDESE RESOLUTION ADOPTING 2023 TOWN COUNCIL MEETING SCHEDULE

WHEREAS, pursuant to Section 2-1011 of the Town of Valdese Code of Ordinances, there shall be a regular meeting of the council at the town hall, on the first Monday in each month, at 6:00 p.m., unless another place, date or time shall be designated.

| January 9, 2023 | |
|------------------|--|
| February 6, 2023 | |
| March 6, 2023 | |
| March 23, 2023 | Annual Budget Retreat - Old Rock School - Waldensian Room Day 1: 9:00 a.m. |
| March 24, 2023 | Annual Budget Retreat - Old Rock School - Waldensian Room Day 2: 9:00 a.m. |
| April 3, 2023 | |
| April 6, 2023 | Council Budget Workshop 1 Dinner Town Hall – Community Room, 6:00 p.m. |
| April 18, 2023 | Council Budget Workshop 2 (If needed) Town Hall – Community Room, 6:00 p.m. |
| May 1, 2023 | |
| June 5, 2023 | Budget Public Hearing |
| July 10, 2023 | |

| August 7, 2023 | |
|-------------------|--|
| September 5, 2023 | Tuesday, due to Labor Day Holiday |
| October 2, 2023 | |
| November 6, 2023 | |
| November 14, 2023 | Tuesday, Annual Dinner Meeting with Valdese Merchants Association |
| December 4, 2023 | |

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese Town Council adopts the following Meeting Schedule for 2023:

This 5th day of December, 2022.

ATTEST: /s/ Town Clerk

/s/ Charles Watts, Mayor

APPROVED APPOINTMENTS/REAPPOINTMENTS TO BOARDS AND COMMISSIONS:

2023 Board and Commission Appointments/Reappointments

Parks and Recreation Commission (3-year terms)

1. Reappointment of Robert Murray

Planning Board & Board of Adjustment (4-year terms)

- 1. Reappointment of Carlton Caruso
- 2. Reappointment of Elizabeth Braswell Ms. Braswell will be moving from Alternate Member to Board Member, replacing John Rostan, whose term expires at the end of the year.
- 3. New Appointment of Cindy Stephens(Alternate Member)

New Appointee Bio:

Cindy Stephens is a lifetime resident of Valdese as a teacher, mentor, and leader in the community. She graduated from East Burke High School, received her Bachelor of Science in Special Education from Appalachian State University, and received her Masters in Education from Appalachian State as well. She retired from teaching after 30 years of service and served as a leader and mentor to new teachers. Cindy is an active member of Cornerstone Baptist Church as a deacon, leads vacation bible school, and has taught Sunday school for 20 years. She loves the Town of Valdese and desires a more active role in making our small town thrive.

APPROVED RESOLUTION ADOPTING REVISED RECORD RETENTION & DISPOSITION SCHEDULE: GENERAL RECORDS:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF VALDESE APPROVING THE NORTH CAROLINA GENERAL RECORDS SCHEDULE FOR LOCAL GOVERNMENT AGENCIES RECORDS RETENTION AND DISPOSTION SCHEDULE GENERAL RECORDS ISSUED OCTOBER 1, 2021

WHEREAS, the North Carolina Division of Archives and History of the Department of Cultural Resources is responsible for assisting local governments in records management, including the destruction of obsolete records and the protection of essential records as provided by Chapters 121 and 132 of the General Statutes of North Carolina, and;

WHEREAS, the municipal records management program provides advice, service and training in the control, maintenance, preservation and disposal of official public records in the custody of local governmental units, and;

WHEREAS "Public Record" means any document, paper, letter, map, book, photograph, film, sound recording, magnetic or other tape, electronic data processing record, artifact or other documentary material made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of the North Carolina government or its subdivisions, and;

WHEREAS, the Department of Cultural Resources has issued an amendment to the Records Retention Schedule date October 1, 2021, and;

WHEREAS, the General Records Schedule for Local Government Agencies Retention and Disposition Schedule is endorsed by the North Carolina Department of Cultural Resources, Division of Historical Resources, Archives and Records Section, Government Records Branch;

NOW, THEREFORE, BE IT RESOLVED by the Town of Valdese Town Council that the Council adopts the North Carolina General Records Schedule for Local Government Agencies Retention and Disposition Schedule, as updated by the North Carolina Department of Cultural Resources in accordance with the provision of Chapters 121 and 132 of the General Statutes of North Carolina, dated October 1, 2021, a copy of which is on file in the office of the Town Clerk.

BE IT FURTHER RESOLVED this schedule is to remain in effect from the date of approval until it is reviewed and updated.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, on this, the 5th day of December 2022; such meeting was held in compliance with the Open Meetings Act, at which meeting a quorum was present and voting.

ATTEST: /s/ Town Clerk

APPROVED RESOLUTION ADOPTING REVISED RECORD RETENTION & DISPOSITION SCHEDULE: PROGRAM RECORDS:

/s/ Charles Watts, Mayor

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF VALDESE APPROVING THE NORTH CAROLINA PROGRAM RECORDS SCHEDULE FOR LOCAL GOVERNMENT AGENCIES RECORDS RETENTION AND DISPOSTION SCHEDULE PROGRAM RECORDS ISSUED OCTOBER 1, 2021

WHEREAS, the North Carolina Division of Archives and History of the Department of Cultural Resources is responsible for assisting local governments in records management, including the destruction of obsolete records and the protection of essential records as provided by Chapters 121 and 132 of the General Statutes of North Carolina, and;

WHEREAS, the municipal records management program provides advice, service and training in the control, maintenance, preservation and disposal of official public records in the custody of local governmental units, and;

WHEREAS "Public Record" means any document, paper, letter, map, book, photograph, film, sound recording, magnetic or other tape, electronic data processing record, artifact or other documentary material made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of the North Carolina government or its subdivisions, and;

WHEREAS, the Department of Cultural Resources has issued an amendment to the Records Retention Schedule date October 1, 2021, and;

WHEREAS, the Program Records Schedule for Local Government Agencies Retention and Disposition Schedule is endorsed by the North Carolina Department of Cultural Resources, Division of Historical Resources, Archives and Records Section, Government Records Branch;

NOW, THEREFORE, BE IT RESOLVED by the Town of Valdese Town Council that the Council adopts the North Carolina Program Records Schedule for Local Government Agencies Retention and Disposition Schedule, as updated by the North Carolina Department of Cultural Resources in accordance with the provision of Chapters 121 and 132 of the General Statutes of North Carolina, dated October 1, 2021, a copy of which is on file in the office of the Town Clerk.

BE IT FURTHER RESOLVED this schedule is to remain in effect from the date of approval until it is reviewed and updated.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, on this, the 5th day of December 2022; such meeting was held in compliance with the Open Meetings Act, at which meeting a quorum was present and voting.

/s/ Charles Watts, Mayor

ATTEST: /s/ Town Clerk

APPROVED PUBLIC HEARING DATE FOR RUTHERFORD COLLEGE & TOWN OF VALDESE ANNEXATION AGREEMENT ON MONDAY, JANUARY 9, 2023, 6:00 P.M., VALDESE TOWN HALL

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Mears. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

PRESENTATION OF FISCAL YEAR ENDING JUNE 30, 2022, FINANCIAL UPDATE: Phil Church with Lowdermilk Church, & Co., shared that the audit went very well and that they appreciate the staff. Mr. Church said they gave a clean, unmodified opinion, which the Local Government Commission looks for. Mr. Church also shared that they gave a clean, unmodified opinion on our compliance and A133 audit. Mr. Church introduced Rick Hammer with Lowdermilk Church & Co., who reviewed the following highlight sheet:

TOWN OF VALDESE

Financial Highlights Years Ended June 30, 2022 and 2021

| General Fund (Includes Powell Bill Funds) | 2022 Summarized Budget | 2022 | 2021 |
|---|------------------------------|--------------|--------------|
| General Fund (includes Forcer Isin Funds) | Dudget | | 2021 |
| Cash, cash equivalents and investments | | \$ 6,143,028 | \$4,464,257 |
| Total assets | | \$ 7,282,651 | \$ 5,504,828 |
| Fund balance | | \$ 7,089,573 | \$ 5,286,477 |
| Fund balance - Reserved for Streets - Powell Bill | | | |
| (included in total fund balance) | | \$ 67,700 | \$ 38,562 |
| Total revenue | \$ 5,003,661 | \$ 5,567,307 | \$ 5,226,030 |
| Total expenditures | \$ 5,513,762 | \$ 4,757,145 | \$4,589,002 |
| Revenues over (under) expenditures before other | | | |
| financing sources (uses) | | \$ 810,162 | \$ 637,028 |
| Other income (expense) | \$ 510,101 | \$ 992,933 | \$ 121,000 |
| Increase (decrease) in fund balance | | \$ 1,803,095 | \$ 758,028 |
| Ad valorem taxes collected | | \$ 2,387,436 | \$ 2,313,313 |
| Percent of taxes collected - current year levy | | 97.97% | 97.81% |
| Investment income | | \$ 12,137 | \$ 4,357 |
| Fund Balance Available | | | |
| Unassigned Fund Balance | | 5,569,974 | 4,299,677 |
| Expenditures and other financing sources and uses | | 4,907,145 | 4,589,002 |
| Unassigned Fund Balance Percentage | | 113.50% | 93.69% |

 Local Government Commission <u>minimum</u> recommended general fund balance should be at least 8% of general fund expenditures at the end of the fiscal year.

| Water and Sewer Fund | 2022 | <u>2021</u> |
|--|----------------------------------|----------------------------------|
| Cash, cash equivalents and investments | \$2,432,618 | \$ 1,381,860 |
| Total assets | \$28,989,827 | \$28,098,972 |
| Net position | \$22,596,413 | \$22,478,620 |
| Operating revenue | \$ 5,398,063 | \$ 5,130,346 |
| Operating expenses | \$ 5,387,234 | \$ 5,237,551 |
| Operating income (loss) | \$ 10,829 | \$ (107,205) |
| Nonoperating revenue (expenses) | \$ (49,918) | \$ 126,506 |
| Transfers (to) from | \$ 39,088 | \$ (221,000) |
| Capital Contributions | \$ 117,881 | \$ 2,049,398 |
| Change in net position, includes \$1,262,820 of depreciation expense 2022 | \$ 117,793 | \$1,847,699 |
| Accounts receivable - customers | \$ 649,200 | \$ 582,893 |
| Investment income | \$ 1,336 | \$ 222 |
| Days sales in accounts receivable | 43.89 | 41.46 |
| Fund Balance Available | | |
| Unrestricted Fund Balance Expenditures and other financing sources and uses | <u>\$ 2,845,266</u> 5,656,834 | <u>\$ 1,678,904</u> 5,237,551 |
| Unrestricted Fund Balance Percentage | 50.29% | 32.05% |

Councilman Mears references page eight in the audit report, which states, "Governmental activities increased the Town's net position by \$1,927,138. Key elements of this increase are anticipated, and unanticipated events as follows: Exceptional growth in sales tax revenues, Revenues higher than anticipated, Expenditures lower than anticipated, and ½ of ARPA funds received." Councilman Mears said it looked like the increase in the fund balance was \$1,803,000, but if we took out ARPA monies of \$703,000, we would still have an increase of 1.2 million dollars. Mr. Hammer said that was correct. Councilman Mears asked if he would consider this an exceptional fund balance. Mr. Hammer said ves, the fund balance had increased substantially over the last few years. Councilman Mears complimented management on this Councilman Mears does not want this comment to reflect negatively on previous achievement. management but wants to express his appreciation. Councilwoman Hildebran shared that citizens hear rumors that we are in financial crisis and asked Mr. Church to explain what an unassigned fund balance is. Mr. Church explained that the Towns assets lessen your liabilities and give you your total fund balance. The fund balance in a governmental entity has certain restrictions on it, like stabilization by State Statute that you cannot use to budget. Mr. Church said if you take all these restrictions and set them aside, it leaves the unassigned fund balance, and you can use that on whatever governmental activity you want. Councilwoman Hildebran asked, with an increase in the fund balance, does this mean the Town has enough funds to cover our current expenses and have some leftovers that can be used for future projects Mr. Hammer said yes, we have more than enough right now. Councilwoman Hildebran asked why the fund balance has been increasing. Mr. Hammer shared that the sales tax revenues have increased, we have good tax collection rates, management has budgeted well, and overall good management. Councilwoman Hildebran asked Town Manager Seth Eckard if staff in the future could provide Council and citizens with a presentation explaining this in layperson's terms. Mr. Eckard said yes, we would make that presentation after the first of the year. Mr. Church reminded Council that the Local Government Commission heavily regulates the Town and would not let us borrow money if they think you cannot pay it back.

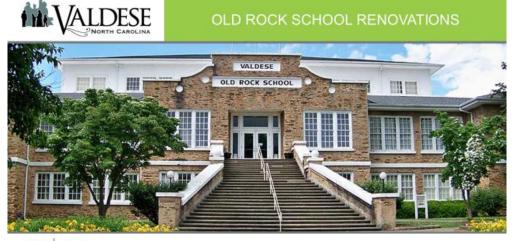
<u>APPOINTMENT TO FILL WARD 1 VACANY:</u> Mayor Watts shared that Council sought applications to fill Ward 1 vacancy from interested citizens that reside in Ward 1 of the newly adopted Ward Map. Mayor Watts said that six valid applications were received, all six applicants were contacted for an interview, and Council interviewed five.

Councilwoman Lowman shared that the candidates interviewed were outstanding and felt each candidate brought a unique, different skill set with engaging ideas, making this a difficult decision. Councilwoman Lowman reminded the citizens that the person appointed would have to re-run at the November 2023 election and encouraged any applicants to consider filing next year. Town Manager Seth Eckard shared that the applicants were interviewed by two members of Council at a time, which does not violate public meeting laws.

Councilwoman Lowman made a motion to nominate Tim Barus to fill the vacancy of Ward 1, seconded by Councilman Tim Skidmore. The vote was unanimous.

Mayor Watts thanked all the applicants and encouraged them to be involved in the community and file for the 2023 election.

APPROVED AGREEMENT BETWEEN TOWN OF VALDESE & SGA DESIGN FOR OLD ROCK SCHOOL RENOVATIONS: Community Affairs Director Morrissa Angi introduced Chris Coleman and Doug Burns with SGA Design. Mr. Burns shared that SGA Design is a 50-year-old company with 150 employees and five offices located in Charlotte, NC. Mr. Burns shared that the company does architecture, planning, interior design, and landscape architecture. Mr. Burns and Mr. Coleman shared a PowerPoint highlighting previous work the firm has completed and the steps of the design process with the Old Rock School renovations.



SGA NW

Wednesday, September 28, 2022

OUR MISSION



We're COMMITTED to COLLABORATING with our clients to bring their VISIONS to life.



PROJECT TEAM







CHRIS COLEMAN Project Manager



Audrey Shaw Interior Designer



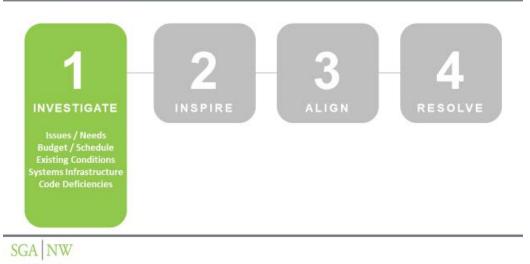
SGA NW

PROJECT UNDERSTANDING

- ADA access onto the stage from the auditorium
- Elevator option to access 3rd floor as offices
- Replace seats in auditorium
- · Pedestrian path/sidewalk to connect Main Street to walking trail
- Create an "order of magnitude" for all items based on code compliance, cost, enhancement to facility operations and revenue generation.
- Convert existing catering space to commercial kitchen
- Advanced Planning Space Utilization/Community Engagement
- Repurpose under-utilized space
- · Is a regional/state draw for pageants, conferences, events
- ADA access levels B, 1, 2, and the 3rd floor if space to be converted to
 office space.
- · Remove parking along the historic low wall
- Front Entrance Drive
- Floor finishes-multiple areas.
- · Consider the Delivery Method: Design-Bid-Build, Design-Build, CM@Risk



DESIGN PROCESS









SGA NW



SGA NW

217 N. GRAHAM STREET

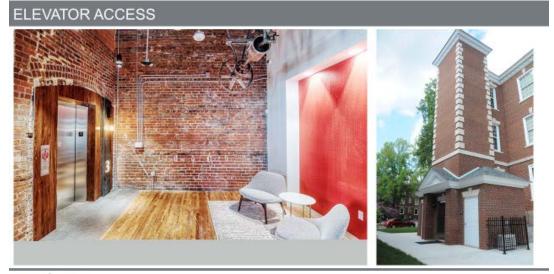


SGA NW

NCA&T STATE UNIVERSITY, DUDLEY HALL







SGA NW



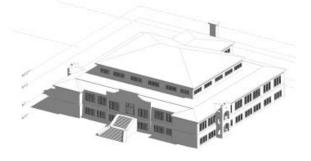
SGA NW



SGA NW

CURRENT PROJECT STANDING

- Multiple site visits
- Scope conformation
- · Review of grant submissions and budget items
- Development of Revit model for existing renovation conditions / review of existing drawings
- Start of schematic design layouts
- Schedule date for A/E team to visit site to confirm schematic design direction







Our team begins with YOU.



Mr. Burns shared that they are very excited about this project and look forward to being a part of the team. Councilwoman Lowman shared that she was a part of the interview panel that chose this firm and that they were very impressed with this team and felt this is an excellent group to work with. Mayor Watts shared that they interviewed three different groups, and SGA Design was the only group that came out and looked at the Old Rock School.



Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the 30 day of November in the year 2022 (In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner: (Name, legal status, address and other information)

Town of Valdese – Office of Community Affairs 400 Main St W Valdese NC 28690

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

SGANW Design, a GF Design Company 2459 Wilkinson Blvd - Suite 120 Charlotte NC 29208

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

Old Rock School Renovations 400 Main St W Valdese NC 28690

The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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- 13 SCOPE OF THE AGREEMENT

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

Building Renovations - Project scope & order of magnitude to be determined with Town of Valdese & SGA(NW

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

Existing former school built in 1923, with various renovations over time serves as a multi-use facility. Currently the facility has a 500 seat anditorium, 4 classrooms, 4 private business, 3 nonprofit organizations, art studios, large event space, and Town of Community Affairs & Tourism. The facility is located at 400 Main St W.

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1: (Provide total and, if known, a line item breakdown.)

\$850,000 Eight Hundred Fifty Thousand Dollars

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

.1 Design phase milestone dates, if any:

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 User Notes:

To be determined - architect to submit a preliminary schedule for review post scope meeting for owner review in compliance with any grant requirements.

Construction commencement date:

To be determined - architect to submit a preliminary schedule for review by owner in compliance with any grant requirements

.3 Substantial Completion date or dates:

To be determined - architect to submit a preliminary date for review by owner in compliance with any grant requirements

.4 Other milestone dates:

n/a

§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:

(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)

Design - Bid - Build

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project: (Identify and describe the Owner's Sustainable Objective for the Project, (f any.)

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§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA. Document E2047M-2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E204-2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204-2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3: (List name, address, and other contact information.)

Monissa Angi – Director of Community Affairs & Tourism 828-879-2129 mangi@valdesenc.gov

§ 1.1.8 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as follows: (List name, address, and other contact information.)

To be confirmed by Town of Valdese

§ 1.1.9 The Owner shall retain the following consultants and contractors: (List name, legal status, address, and other contact information.)

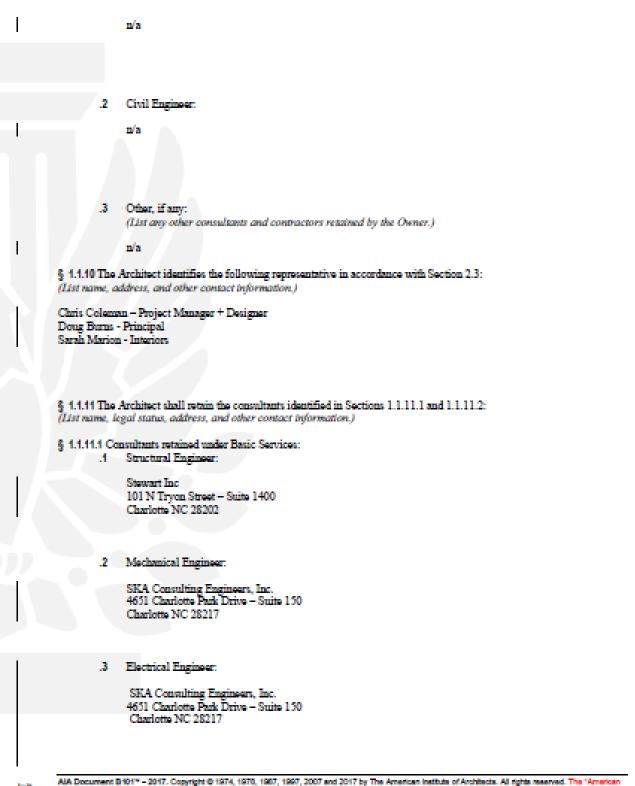
.1 Geotechnical Engineer:

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4 Plumbing Engineer: SKA Consulting Engineers, Inc. 4651 Charlotte Park Drive – Suite 150 Charlotte NC 28217

- .5 Building Envelope: Walter P. Moore 227 West Trade Street - Suite
- .6 Civil & Landscape Engineering Stewart Inc 101 N Tryon Street – Suite 1400 Charlotte NC 28202
- .7 Cost Estimating Palacio Collaborative 400 Galleria Plcwy SE, Suite 1500 Atlanta, GA 30339

§ 1.1.11.2 Consultants retained under Supplemental Services:

n/a

§ 1.1.12 Other Initial Information on which the Agreement is based:

n/a

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that the Initial Information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the Architect's services, schedule for the Architect's services, and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203TM-2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in ALA Document E20379–2013, Building Information Modeling and Digital Data Exhibit, and the requisite ALA Document G20279–2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement, or shall cause such services to be performed by appropriately licensed design professionals.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

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§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.9.

§ 2.5.1 Commercial General Liability with policy limits of not less than one million (\$ 1,000,000) for each occurrence and two million (\$ 2,000,000) in the aggregate for bodily injury and property damage.

§ 2.5.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than one million (\$ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.5.3 The Architect may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 2.5.1 and 2.5.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 2.5.4 Workers' Compensation at statutory limits.

§ 2.5.5 Employees' Liability with policy limits not less than one million (\$ 1,000,000) each accident, one million (\$ \$1,000,000) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than five million (\$ 5,000,000) per claim and five million (\$ 5,000,000) in the aggregate.

§ 2.5.7 Additional Insured Obligations. To the fullest extent permitted by law, the Architect shall cause the primary and excess or umbrella polices for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Architect's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 2.58 The Architect shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 2.5.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 The Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Supplemental or Additional Services.

§ 3.1.1 The Architect shall manage the Architect's services, research applicable design criteria, attend Project meetings, communicate with members of the Project team, and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services and information furnished by the Owner and the Owner's consultants. The Architect shall

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§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written approval.

§ 3.1.5 The Architect shall contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 Schematic Design Phase Services

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner's program, schedule, budget for the Cost of the Work, Project site, the proposed procurement and delivery method, and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present, for the Owner's approval, a preliminary design illustrating the scale and relationship of the Project components.

§ 3.25 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider sustainable design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner's program, schedule and budget for the Cost of the Work. The Owner may obtain more advanced sustainable design services as a Supplemental Service under Section 4.1.1.

§ 3.25.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner's program, schedule, and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

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§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner's approval.

§ 3.3 Design Development Phase Services § 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and other appropriate elements. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish, in general, their quality levels.

§ 3.3.2 The Architect shall update the estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

§ 3.4 Construction Documents Phase Services

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels and performance criteria of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that, in order to perform the Work, the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) procurement information that describes the time, place, and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications, and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall update the estimate for the Cost of the Work prepared in accordance with Section 6.3.

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.5 Procurement Phase Services

§ 3.5.1 General The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any, and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding

§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

- .1 facilitating the distribution of Bidding Documents to prospective bidders;
- organizing and conducting a pre-bid conference for prospective bidders;
- .3 preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to the prospective bidders in the form of addenda; and,

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.4 organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.

§ 3.5.2.3 If the Bidding Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective bidders.

(Paragraphs deleted)

§ 3.6 Construction Phase Services

§ 3.6.1 General

§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A2017-2017, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201-2017, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.2 and except as provided in Section 3.6.6.5, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 Evaluations of the Work § 3.6.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of, and reasonably inferable from, the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

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§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that terms is defined in ALA Document A201-2017, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.3 Certificates for Payment to Contractor

§ 3.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to (1) an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) results of subsequent tests and inspections, (3) correction of minor deviations from the Contract Documents prior to completion, and (4) specific qualifications expressed by the Architect.

§ 3.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 Submittals
§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold. approval of the schedule. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time, in the Architect's professional judgment, to permit adequate review. In no event shall Architect have less than ten (10) business days, to review and respond to any submissions, including but not limited to shop drawings, product data or samples, change orders and request for payment. For submissions that require review of a consultant, not less than fifteen (15) days be allotted.

§ 3.6.4.2 The Architect shall review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials, or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The Architect's review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.6.4.4 Subject to Section 4.2, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth, in the Contract Documents, the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect's response to such

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requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to the requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 Changes in the Work

§ 3.6.5.1 The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 Project Completion § 3.6.6.1 The Architect shall:

- .1 conduct inspections to determine the date or dates of Substantial Completion and the date of final. completion:
- .2 issue Certificates of Substantial Completion;
- .3 forward to the Owner, for the Owner's review and records, written warranties and related documents. required by the Contract Documents and received from the Contractor; and,
- .4 issue a final Certificate for Payment based upon a final inspection indicating that, to the best of the Architect's knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect's inspections shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When Substantial Completion has been achieved, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens, or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES

§ 4.1 Supplemental Services

§ 4.1.1 The services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Supplemental Services only if specifically designated in the table below as the Architect's responsibility, and the Owner shall compensate the Architect as provided in Section 11.2. Unless otherwise specifically addressed in this Agreement, if neither the Owner nor the Architect is designated, the parties agree that the listed Supplemental Service is not being provided for the Project.

(Designate the Architect's Supplemental Services and the Owner's Supplemental Services required for the Project by indicating whether the Architect or Owner shall be responsible for providing the identified Supplemental Service. Insert a description of the Supplemental Services in Section 4.1.2 below or attach the description of services as an exhibit to this Agreement.)

| Supplemental Services | Responsibility |
|-----------------------|-------------------------------------|
| | |
| | (Architect, Owner, or not provided) |
| | |

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| Supplemental Services | Responsibility |
|---|--|
| | (Architect, Owner, or not provided) |
| § 4.1.1.1 Programming | Architect with owner assistance |
| § 4.1.1.2 Multiple preliminary designs | Np |
| § 4.1.1.3 Measured drawings | Owner - Existing facility drawings to be provided |
| § 4.1.1.4 Existing facilities surveys | Architect - to confirm existing drewings & conditions |
| | Architect - limited to pedestrian sidewalk along stone |
| § 4.1.1.5 Site evaluation and planning § 4.1.1.6 Building Information Model management | well No |
| § 4.1.1.6 Difficing information Model management responsibilities | Nφ |
| § 4.1.1.7 Development of Building Information Models for | No |
| post construction use | |
| § 4.1.1.8 Civil engineering | Np |
| § 4.1.1.9 Landscape design | Np |
| § 4.1.1.10 Architectural interior design | Architect – as applicable to confirmed scope |
| § 4.1.1.11 Value analysis | Np |
| § 4.1.1.12 Detailed cost estimating beyond that required in Section 6.3 | Np |
| § 4.1.1.13 On-site project representation | Np |
| § 4.1.1.14 Conformed documents for construction | Np |
| § 4.1.1.15 As-designed record drawings | Np |
| § 4.1.1.16 As-constructed record drawings | No |
| § 4.1.1.17 Post-occupancy evaluation | No |
| § 4.1.1.18 Facility support services | Np |
| § 4.1.1.19 Tenant-related services | Np |
| § 4.1.1.20 Architect's coordination of the Owner's consultants | No |
| § 4.1.1.21 Telecommunications/data design | Np |
| § 41.1.22 Security evaluation and planning | Np |
| § 4.1.1.23 Commissioning | Np |
| § 4.1.1.24 Sustainable Project Services pursuant to Section 4.1.3 | Np |
| § 4.1.1.25 Fast-track design services | Np |
| § 4.1.1.26 Multiple bid packages | Np |
| § 4.1.1.27 Historic preservation | Architect - limited as needed related to project |
| § 4.1.1.28 Furniture, furnishings, and equipment design | Np |
| § 4.1.1.29 Other services provided by specialty Consultants | Np |
| § 4.1.1.30 Other Supplemental Services | Np |
| 4.1.1.31 Destructive testing of existing conditions | Np |
| A 1.1.01 President scaling of CADSING OF MIDDID | T |

§ 4.1.2 Description of Supplemental Services § 4.1.2.1 A description of each Supplemental Service identified in Section 4.1.1 as the Architect's responsibility is provided below.

(Describe in detail the Architect's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit. The AIA publishes a number of Standard Form of Architect's Services documents that can be included as an exhibit to describe the Architect's Supplemental Services.)

1. Existing facility surveys: Architect to review provided existing facility drawings for near accuracy to develop existing template for design team as related to overall project renovation scope.

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Historic Preservations: design team to provide preservation as needed with respect to existing history and building conditions. Owner to confirm if building is on National Historic Registry.

§ 4.1.2.2 A description of each Supplemental Service identified in Section 4.1.1 as the Owner's responsibility is provided below.

(Describe in detail the Owner's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit.)

 Measured drawings: Town of Valdese to provide all existing drawings and other building documentation for design team

§ 4.1.3 If the Owner identified a Sustainable Objective in Article 1, the Architect shall provide, as a Supplemental Service, the Sustainability Services required in AIA Document E204TM-2017, Sustainable Projects Exhibit, attached to this Agreement. The Owner shall compensate the Architect as provided in Section 11.2.

§ 4.2 Architect's Additional Services

The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect's schedule.

§ 4.2.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following Additional Services until the Architect receives the Owner's written authorization:

- 1 Services necessitized by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including size, quality, complexity, the Owner's schedule or budget for Cost of the Work, or procurement or delivery method;
- .2 Services necessitated by the enactment or revision of codes, laws, or regulations, including changing or editing previously prepared Instruments of Service;
- .3 Changing or editing previously prepared Instruments of Service necessitated by official interpretations of applicable codes, laws or regulations that are either (a) contrary to specific interpretations by the applicable authorities having jurisdiction made prior to the issuance of the building permit, or (b) contrary to requirements of the Instruments of Service when those Instruments of Service were prepared in accordance with the applicable standard of care;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
- .5 Preparing digital models or other design documentation for transmission to the Owner's consultants and contractors, or to other Owner-authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- Preparation for, and attendance at, a public presentation, meeting or hearing;
- .8 Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of entities providing bids or proposals;
- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction; or,
- .11 Assistance to the Initial Decision Maker, if other than the Architect

§ 4.2.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If, upon receipt of the Architect's notice, the Owner determines that all or parts of the services are not required, the Owner shall give prompt written notice to the Architect of the Owner's determination. The Owner shall compensate the Architect for the services provided prior to the Architect's receipt of the Owner's notice.

- .1 Reviewing a Contractor's submittal out of sequence from the submittal schedule approved by the Architect;
- .2 Responding to the Contractor's requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and

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comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;

- .3 Preparing Change Orders and Construction Change Directives that require evaluation of Contractor's proposals and supporting data, or the preparation or revision of Instruments of Service;
- Evaluating an extensive number of Claims as the Initial Decision Maker, or,
 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom.

§ 4.2.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:

- .1 Two (2) reviews of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- 2 Weekly () visits to the site by the Architect during construction
- Two (2) inspections for any portion of the Work to determine whether such portion of the Work is 3 substantially complete in accordance with the requirements of the Contract Documents
- .4 Two (2) importions for any portion of the Work to determine final completion.

§ 4.2.4 Except for services required under Section 3.6.6.5 and those services that do not exceed the limits set forth in Section 4.2.3, Construction Phase Services provided more than 60 days after (1) the date of Substantial Completion of the Work or (2) the initial date of Substantial Completion identified in the arreement between the Owner and Contractor, whichever is earlier, shall be compensated as Additional Services to the extent the Architect incurs additional cost in providing those Construction Phase Services.

§ 4.2.5 If the services covered by this Agreement have not been completed within (18) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program, which shall set forth the Owner's objectives; schedule; constraints and criteria, including space requirements and relationships; flexibility; expandability; special equipment; systems; and site requirements.

§ 5.2 The Owner shall establish the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner's budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, goning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

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§ 5.7 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E2047W-2017, Sustainable Projects Exhibit, attached to this Agreement.

§ 5.8 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated as the responsibility of the Architect in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.9 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.10 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.11 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.12 The Owner shall include the Architect in all communications with the Contractor that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Architect's duties and responsibilities set forth in the Contract for Construction with the Architect's services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.14 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.15 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise firmished by, the Owner. The Cost of the Work does not include the compensation of the Architect, the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment, the Contractor's methods of determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

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§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1.1, as a Supplemental Service.

§ 6.4 If, through no fault of the Architect, the Procurement Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality, or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- 2 authorize rehidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
 .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce. the Cost of the Work; or,
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

\$ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

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§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold hamiless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unsuthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in ALA Document A201-2017, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed purvuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

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§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:

(Check the appropriate box.)

- [Arbitration pursuant to Section 8.3 of this Agreement
- [x] Litigation in a court of competent jurisdiction
- [] Other: (Specify)

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

(Paragraphs deleted)

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's feet for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 If the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall compensate the Architect for services performed prior to termination, Reimbursable Expenses incurred, and costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1 Termination Fee:

n/a

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.2 Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

n/a

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

§ 9.9 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 9.7.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201-2017, General Conditions of the Contract for Construction.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

§ 10.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

§ 10.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 If the Architect or Owner receives information specifically designated as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except as set forth in Section 10.8.1. This Section 10.8 shall survive the termination of this Agreement.

§ 10.8.1 The receiving party may disclose "confidential" or "business proprietary" information after 7 days' notice to the other party, when required by law, arbitrator's order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The receiving party may also disclose such information to its employees, consultants, or contractors in order to perform services or work solely and exclusively

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for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

Stipulated Sum 4 (Insert amount)

n/a

2 Percentage Basis - % value reflective of updated confirmed \$850,000 budget per 11/30/22 phone meeting

 \boldsymbol{o}

Eleven & eight tenths (11.8) % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.

Total Fee for Architecture & Engineering: \$100,300

3 Other

(Describe the method of compensation)

n/a

§ 11.2 For the Architect's Supplemental Services designated in Section 4.1.1 and for any Sustainability Services. required pursuant to Section 4.1.3, the Owner shall compensate the Architect as follows: (Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of

compensation apply.)

n/a

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows: (Insert amount of, or basis for, compensation.)

Hourly fee per rate schedule or stipulated sum amount to be agreed upon by Owner and Architect

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus twelve and one half percent (12.5 %), or as follows:

(Insert amount of, or basis for computing, Architect's consultants' compensation for Supplemental or Additional Services.)

n/a

§ 11.5 When compensation for Basic Services is based on a stirulated sum or a vercentage basis, the proportion of compensation for each phase of services shall be as follows:

| Schematic Design Phase | Fifteen | percent (| 15 | %) |
|--------------------------|---------|-----------|----|----|
| Design Development Phase | Twenty | percent (| 20 | ×) |

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| Construction Documents Phase | Thirty | percent (| 30 | %) |
|---|-------------|-----------|----------|----|
| Procurement Phase Construction Phase | | percent (| 05 30 | 3 |
| Total Basic Companiation | one hundred | percent (| 100 | %) |

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner's most recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner's budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices. (If applicable, attach an exhibit of hourly billing rates or insert them below.)

| Employee or Category | Rate (\$0.00) |
|------------------------|---------------|
| Senior Principal | \$250/hr |
| Principal | \$200/hr |
| Project Manager | \$175/br |
| Project Architect | \$160/hr |
| Architectural Designer | \$110/hr |
| Administrative | \$\$5/hr |

§ 11.8 Compensation for Reimbursable Expenses § 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- Transportation and authorized out-of-town travel and subsistence; ч.
- 2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- Permitting and other fees required by authorities having jurisdiction over the Project; 3.
- Printing, reproductions, plots, and standard form documents; A
- Postage, handling, and delivery; .5
- Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner, 6
- 7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- If required by the Owner, and with the Owner's prior written approval, the Architect's consultants' expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect's consultants:
- All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective: and,
- .12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus zero percent (0 %) of the expenses incurred. Reimbursable expenses identified in 11.8.1 shall be billed towards an allowance in the base fee Not To Exceed Amount of \$4,000 (Four thousand dollars)

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§ 11.9 Architect's Insurance. If the types and limits of coverage required in Section 2.5 are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect for the additional costs incurred by the Architect for the additional coverages as set forth below:

(Insert the additional coverages the Architect is required to obtain in order to satisfy the requirements set forth in Section 2.5, and for which the Owner shall reimburse the Architect.)

- m/a

§ 11.10 Payments to the Architect

§ 11.10.1 Initial Payments

§ 11.10.1.1 An initial payment of n/a (S n/a) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

(Paragraph deleted) § 11.10.2 Progress Payments

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid n/a () days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect. (Insert rate of monthly or annual interest agreed upon.)

0 % zero

§ 11.10.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or Equidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work, unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.2.3 Records of Reimbursable Expenses, expenses pertaining to Supplemental and Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows: (Include other terms and conditions applicable to this Agreement.)

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- AIA Document B10174-2017, Standard Form Agreement Between Owner and Architect 4
- AIA Document E20374-2013. Building Information Modeling and Digital Data Exhibit, dated as 2 indicated below:

(Insert the date of the E203-2013 incorporated into this agreement.)

10/20

.3 Exhibits:

(Check the appropriate box for any exhibits incorporated into this Agreement.)

[n/a] AIA Document E20474-2017, Sustainable Projects Exhibit, dated as indicated below: (Insert the date of the E204-2017 incorporated into this agreement.)

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| This Agreems | ant entered into as of the day and year fi | rst written above. |
|--------------------|--|---|
| - Se OWNER (Sig | e attached Signature Page- | - See attached Signature Page- ARCHITECT (Signature) |
| (Printed nan | | (Printed name, title, and license number, if required |
| | | |
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Signatures Page

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Additions and Deletions Report for AIA® Document B101" - 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

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PAGE 1

AGREEMENT made as of the 30 day of November in the year 2022.

Town of Valdese - Office of Community Affairs 400 Main St W Valdese NC 28690

SGAINW Design, a GF Design Company 2439 Wilkinson Blvd - Suite 120 Charlotte NC 29208

Old Rock School Renovations 400 Main St W Valdese NC 28690 PAGE 2

Building Renovations - Project score & order of magnitude to be determined with Town of Valdese & SGAINW

Existing former school built in 1923, with various renovations over time serves as a multi-use facility. Currently the facility has a 500 seat anditorium, 4 classrooms, 4 urivate business, 3 nontrofit organizations, art studios, large event space, and Town of Community Affairs & Tourism. The facility is located at 400 Main St W.

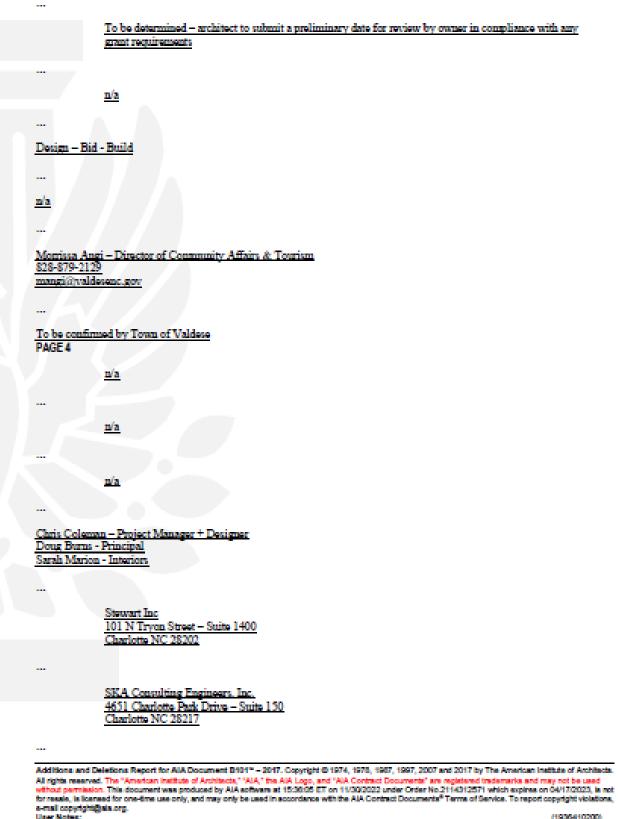
\$850,000 Eight Hundred Fifty Thousand Dollars PAGE 3

> To be determined - architect to submit a preliminary schedule for review post score meeting for owner review in compliance with any grant requirements.

To be determined - architect to submit a preliminary schedule for review by owner in compliance with any grant requirements

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.3 Electrical Engineer:

SKA Consulting Engineers, Inc. 4651 Charlotte Park Drive - Suite 150 Charlotte NC 28217

| | <u>.</u> 4 | Plumbing Engineer: |
|--------|------------|---------------------------------------|
| | | SKA Consulting Engineers, Inc. |
| | | 4651 Charlotte Park Drive - Suite 150 |
| | | Charlotte NC 28217 |
| | | |
| | .5 | Building Envelope: |
| | | Walter P. Moore |
| | | 227 West Trade Street - Suite |
| | | |
| | .6 | Civil & Landscape Engineering |
| | | Stewart Inc |
| | | 101 N Tryon Street - Suite 1400 |
| | | Charlotte NC 28202 |
| | | |
| | .7 | Cost Estimating |
| _ | | Palacio Collaborative |
| | | 400 Galleria Flowy SE. Suite 1500 |
| | | Atlanta, GA 30339 |
| PAGE 5 | | |
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§ 2.5.1 Commercial General Lisbility with policy limits of not less than one million (\$ 1,000,000) for each occurrence and two million (\$ 2,000,000) in the aggregate for bodily injury and property damage.

§ 2.5.2 Antomobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than one million (\$ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.55 Employers' Liability with policy limits not less than one million (\$ 1,000,000) each accident, one million (\$ \$1.000.000) each employee, and one million (\$ \$1.000.000) policy limit.

§ 2.56 Professional Liability covering negligent acts, errors and omissions in the performance of professional services. with policy limits of not less than five million (\$ 5,000,000) per claim and five million (\$ 5,000,000) in the aggregate. PĂGE 9

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3.5.3 Negotiated Proposals

§ 3.5.3.4 Proposal Documents shall consist of proposal requirements and proposed Contract Documents.

§ 3.5.3.2 The Architect chall assist the Owner in obtaining propertie by:

- facilitating the distribution of Proposal Documents for distribution to prospective contractors and 4 requesting their roturn upon completion of the negotiation process;
 - organizing and performating in selection interviews with prospective contractors;
- reparing responses to questions from prospective contractors and providing clarit mutations of the Proposal Documents to the prospective contractors in the form of addeed
- participating in negotiations with prospective contractors, utly propering a cummary report of the negotiation results, as directed by the Owner.

§ 3.53.3 If the Proposal Documents permit substitutions, upon the Owner's written authorization, the Architect shall. in Additional Service, consider requests for enbethnices, and prepare and distribute addends identifying approved substitutions to all prospective contractors.

PAGE 10

§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold. approval of the schedule. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time, in the Architect's professional judgment, to permit adequate review. In no event shall Architect have less than ten (10) business days, to review and respond to any submissions, including but not limited to shop drawings, product data or samples, change orders and request for payment. For submissions that require review of a consultant, not less than fifteen (15) days be allotted. PAGE 12

| § 4.1.1.1 | Programming | Architect with owner assistance |
|------------|---|--|
| § 41.1.2 | Multiple preliminary designs | No |
| § 4.1.1.3 | Measured drawings | Owner - Existing facility drawings to be provided |
| § 4.1.1.4 | Existing facilities surveys | Architect - to confirm existing drawings & conditions |
| \$ 4115 | Site evaluation and planning | Architect – limited to pedestrian sidewalk along stone wall |
| § 4.1.1.6 | Building Information Model management responsibilities | No |
| § 41.1.7 | Development of Building Information Models for post construction use | Ne |
| § 41.1.8 | Civil engineering | Ng |
| § 41.1.9 | Landscape design | Np |
| § 4.1.1.10 | Architectural interior design | Architect – as applicable to confirmed scope |
| § 41.1.11 | Value analysis | Np |
| § 4.1.1.12 | Detailed cost estimating beyond that required in Section 6.3 | No |
| § 411.13 | On-site project representation | Np |
| § 4.1.1.14 | Conformed documents for construction | Np |
| § 411.15 | As-designed record drawings | Np |
| § 4.1.1.16 | As-constructed record drawings | Np |
| § 411.17 | Post-occupancy evaluation | Np |
| § 4.1.1.18 | Facility support services | Np |
| § 4.1.1.19 | Tenant-related services | No |

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| § 4.1.1.20 Architect's coordination of the Owner's consultants | No |
|--|--|
| § 4.1.1.21 Telecommunications/data design | Np |
| § 4.1.1.22 Security evaluation and planning | Np |
| § 4.1.1.23 Commissioning | No |
| § 4.1.1.24 Sustainable Project Services pursuant to Section 4.1.3 | No |
| § 4.1.1.25 Fast-track design services | No |
| § 4.1.1.26 Multiple bid packages | No |
| § 4.1.1.27 Historic preservation | Architect - limited as needed related to project |
| § 4.1.1.28 Furniture, furnishings, and equipment design | Np |
| § 4.1.1.29 Other services provided by specialty Consultants | Np |
| § 4.1.1.30 Other Supplemental Services | Np |
| 4.1.1.31 Destructive testing of existing conditions | Np |

1. Existing facility surveys: Architect to review provided existing facility drawings for near accuracy to develop existing template for design team as related to overall project renovation scope.

Historic Preservations: design team to provide preservation as needed with respect to existing history and building conditions. Owner to confirm if building is on National Historic Registry. PAGE 13

1. Measured drawings: Town of Valdese to provide all existing drawings and other building documentation for design DAGE 14

- .4 Two (2) reviews of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- 2 Weekly () visits to the site by the Architect during construction
- Two (2) inspections for any portion of the Work to determine whether such portion of the Work is 3 substantially complete in accordance with the requirements of the Contract Documents
- Two (2_) inspections for any portion of the Work to determine final completion. A

§ 4.25 If the services covered by this Agreement have not been completed within (18) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services. PAGE 18

[x] Litigation in a court of competent jurisdiction

8.3.4 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement claim, dispute or other matter in question arising out of or related to this Agroement subject to, but not resolved by modiation shall be subject to arbitration, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in officet on the date of this Armonent. A depend for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration-

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§ 8.3.1.1 A domand for arbitration thall be made no ordior than concurrently with the Eling of a request for mediation. but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitati purpose, receipt of a unittee domand for arbitration by the person or outity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 8.3.2 The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly constanted to by partice to this Agreement, shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.3 The sured medered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

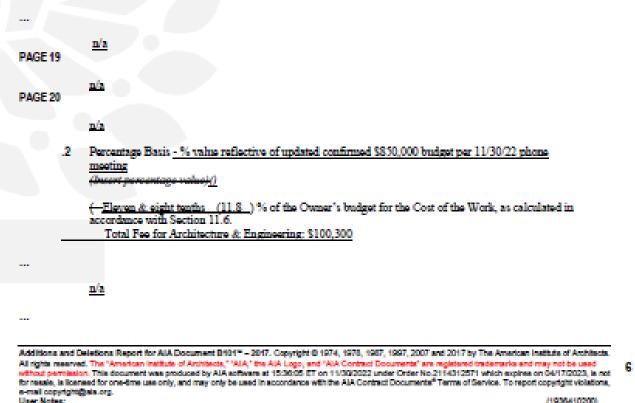
8.8.3.4 Concolidation or Joinder

§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration paratic consolidation; (2) the arbitrations to be consolidated substantially involve common quotients of law or fact, and (3) the arbitrations coupley materially cimilar proceederal rules and methods for selecting arbitrator(s).

§ 8.34.2 Either party, at its colo discrition, may include by joinder persons or entities exhetentially involved in a common question of low or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party cought to be joined consents in writing to such joinder. Concent to arbitration involving an additional pomon or outity thall not constitute constant to whitration of any claim, dispute or other matter in question not described in the written consent.

§ 8.3.4.3 The Owner and Architect grant to any person or early made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

§ 8.4 The provisions of this Article 8 shall survive the termination of this Agreement.



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Hourly fee per rate schedule or stipulated sum amount to be agreed upon by Owner and Architect

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus <u>twelve and one half</u> percent (<u>12.5</u>%), or as follows

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| Schematic Design Phase Design Development Phase Construction Documents | <u>Fifteen</u> percent (<u>Twenty</u> percent (<u>Thirty</u> percent (| 15 20 30 | %) %) %) |
|--|--|------------------------|----------------|
| Phase Procurement Phase Construction Phase PAGE 21 | Five percent (<u>Thirty</u> percent (| <u>05</u> <u>30</u> | %) %) |
| <u>Senior Principal</u> <u>Principal</u> Project Manager | <u>\$250/hr</u> <u>\$200/hr</u> <u>\$175/hr</u> | | |
| Project Architect Architectural Designer Administrative | <u>\$160/hr</u> <u>\$110/hr</u> <u>\$85/hr</u> | | |

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus zero percent (0 %) of the expenses incurred. Reimbursable expenses identified in 11.8.1 shall be billed towards an allowance in the base fee Not To Exceed Amount of \$4,000 (Four thousand dollars) PAGE 22

n/a

§ 11.10.1.1 An initial payment of n/a (S n/a) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.1.2 If a Sustainability Cartification is part of the Sustainable Objective, an initial payment to the Architect of) shall be made upon execution of this Agreement for registration fees and other fees payable to the Certifying arity and necessary to achieve the Sustainability Costification. The Architect's payments to the Costificing Authority shall be credited to the Ourser's account at the time the expense is incurred.

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services. performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid n/a () days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

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| <u>0 % zero</u> | |
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| | n/a |
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| PAGE 23 | [<u>n/a</u>] AIA Document E204 ^{ng} -2017, Sustainable Projects Exhibit, dated as indicated below: |
| | [n/a] Other Exhibits incorporated into this Agreement: |
| | |
| | 1. Initial basic services design proposal to Town of Valdese, dated October 10, 2022 |
| | I. Initial basic services design proposal to Town of Valdese, dated October 10, 2022 2. Updated listing of projects & funding to be considered for overall project scope from 10/19/22 meeting |
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Certification of Document's Authenticity AIA® Document D401™ – 2003

I, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 15:36:05 ET on 11/30/2022 under Order No. 2114312571 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA* Document B101TM – 2017, Standard Form of Agreement Between Owner and Architect, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

| (Signed) | | | , | |
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Councilwoman Lowman made a motion to approve the Contract Agreement with SGA Design, seconded by Councilwoman Hildebran. The vote was unanimous.

December 5, 2022, MB#32

Councilman Mears asked how much we had budgeted for this project. Ms. Angi explained that the Rural Transformation Fund Grant was for \$850,000, and this contract is based on that amount. Ms. Angi shared that there is a pending application with ARC for \$120,000, with \$60,000 of that being matched by the Rostan Family Foundation, but the application has not yet been approved. Ms. Angi shared that the grant applications focus is bringing the Old Rock School up to ADA needs and expanding the restrooms. Town Manager Seth Eckard asked what the timeline for this project is. Ms. Angi said the tentative timeline is three years, which is required by the grant.

<u>CAPITAL PROJECT ORDINANCE</u>: Assistant Town Manager/CFO Bo Weichel presented the following Capital Project Ordinance for the Old Rock School renovations:

TOWN OF VALDESE OLD ROCK SCHOOL RENOVATIONS CAPITAL PROJECT ORDINANCE

Be it ordained by the Town Council of the Town of Valdese that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted.

Section 1. The project authorized is the Old Rock School Renovations. Project proposes repairs and upgrades to select areas. The project is to be financed by grant funds.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the program ordinance and the budget contained herein.

Section 3. The following revenues are anticipated to be available to contribute to this project:

| Source | | Amount | Assigned Account Number |
|-------------------------------------|-------|-------------------|-------------------------|
| Rural Transformation Grant | \$ | 850,000 | 38.3970.000 |
| | | | |
| | - | | |
| | \$ | 850,000 | |
| | : | ====== | |
| Section 4. The following amounts ar | e app | propriated for th | ne project: |
| | | | |
| Source | | Amount | Assigned Account Number |
| Renovations | \$ | 707,200 | 38.6250.150 |
| Professional Services | | 100,300 | 38.6250.040 |
| Contingency | | 42,500 | 38.6200.900 |
| | | | |
| | \$ | 850,000 | |
| | | | |

Section 5. The finance officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to town council required by the program procedures, loan agreement(s), grant agreement(s) and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The finance officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total revenues received or claimed.

Section 8. The budget officer is directed to include a detailed analysis of the past and future cost and revenues on this project in every budget submission made to this board.

Section 9: Copies of this project ordinance shall be made available to the budget officer and the finance officer for direction in carrying out this project.

Adopted this 5th day of December 2022.

/s/ Charles Watts, Mayor

ATTEST: /s/ Town Clerk

Councilman Mears made a motion to approve the aforementioned Capital Project Ordinance, seconded by Councilwoman Lowman. The vote was unanimous.

CAPITAL PROJECT ORDINANCE AMENDMENT: Assistant Town Manager/CFO Bo Weichel presented the following Capital Project Ordinance Amendment:

| Valdese Town Council Meeting | | | Monday, December 5, 2022 |
|---------------------------------------|-------------|---|--------------------------|
| Capital Project Ordinance Amendment # | 4-34 | | |
| Subject: | Lakeside Pa | ark Kayak Lauch / Fishing Pier | |
| Description: | Council mee | eement with NC Wildlife adopted a eting, this amendment transfers d Bridge project to Lakeside Park p | onations from the |

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

| | | Decrease/ | Increase/ |
|-------------|-------------|-----------|-----------|
| Account | Description | Debit | Credit |
| 33.3970.001 | Donations | 19,858.18 | |
| 34.3970.003 | Donations | | 19,858.18 |
| | | | |
| | Total | \$19,858 | \$19,858 |

Amounts appropriated for capital projects are hereby amended as follows:

| | | Increase/ | Decrease/ |
|-------------|--------------|-----------|-----------|
| Account | Description | Debit | Credit |
| 33.6200.900 | Contingency | | 19,858.18 |
| 34.6200.760 | Construction | 19,858.18 | |
| | | | |
| | Tota | \$19,858 | \$19,858 |

Section II:

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Councilwoman Hildebran made a motion to approve the aforementioned Capital Project Ordinance Amendment, seconded by Councilwoman Lowman. The vote was unanimous.

Town Manager Seth Eckard asked Parks & Recreation Director David Andersen if we had an anticipated start date on the kayak launch/fishing pier project. Mr. Andersen shared that we have received the first draft of a contract with Duke Energy for a lease, which will come before Council at the January 2023 meeting, and then Wildlife can start. Mr. Andersen does not know how long it will take Wildlife to complete the project.

Mayor Watts noted that Beth Heile gave him the Lakeside Park attendance; on weekdays, it's 250 each day, and on weekends it's 350-450 people that visit the park.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Mr. Eckard shared that the repairs made to the Water Plant in the amount of \$225,000 will be paid fully by the insurance company minus the deductible.

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Letters to Santa can be placed in the mailbox at the Old Rock School.

Submissions for the Home Holiday Decorating contest are due by Monday, December 7, 2022. Winners will be announced on Monday, December 12, 2022

Council and Department Head Dinner, Thursday, December 8, 2022, at 6:30 p.m.

Christmas in Valdese, Hatley Memorial Tree-Lighting and Christmas Carols by Valdese Elementary School at the Old Rock School, Hot Chocolate & Santa Visits, Friday, December 9, 2022, at 6:00 p.m.

OCP Production: A Christmas Carol, Show Dates December 9-10 and 15-17, 2022, 7:30 p.m., and December 11 & 18, 2022, 3:00 p.m.; visit www.oldcolonyplayers.com for more information and to purchase tickets.

Mingle with Kris Kringle, Saturday, December 10, 2022, at the Old Rock School, Sponsored by the Valdese Fire Department

Town Offices Will Be Closed December 23, 26 & 27, 2022, in Observance of Christmas and January 2, 2023, for New Year's Day

MAYOR AND COUNCIL COMMENTS: Councilwoman Lowman expressed her appreciation for the audit and all the work put in behind it. All of the Council members agreed.

Mayor Watts thanked everyone involved in helping with the Christmas Parade, Craft Show, Ward 1 vacancy process, and the Merchants Dinner. Mayor Watts shared that he has been on Council for a year and feels like Council has made great progress. Mayor Watts thanked Councilwoman Hildebran for her leadership, being the longest-served Council member on the current board.

CLOSED SESSION: Mayor Watts called for a motion to recess into Closed Session pursuant to NC General Statute 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. At 6:45 p.m., Councilwoman Hildebran made a motion to recess into Closed Session pursuant to NC General Statute 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. Seconded by Councilwoman Lowman. The vote was unanimous.

At 7:09 p.m., Councilwoman Lowman made a motion to return to Open Session, seconded by Councilman Mears. The vote was unanimous.

ADJOURNMENT: At 7:10 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, January 9, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

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