

## AGREEMENT

THIS AGREEMENT is made on this \_\_\_\_\_ day of January 1985, between Mrs Ann Medlock and Mr John Graham of 225 Central Park West, Suite 801, New York City, N.Y. 10024 (henceforth known as the Client) and the Center for Environmental Structure, 2701 Shasta Road, Berkeley, California (henceforth known as the CES), according to which the CES will design a house for the Client, on their site at the southern end of Whidbey Island, Washington State, upon the terms and conditions hereinafter set forth.

### ARTICLE 1. DEFINITION OF PROJECT

The Client requires a house to include accomodation for a living room, kitchen, and two or three bedrooms, and various working spaces and meeting spaces.

The total area of the house is to be in the range of 3000 sf. Construction price is to be in the range \$65 to \$80. It is understood that the client wishes the house to be designed completely at this stage, and that CES will then build as much as can be built for about \$180,000 in the first stage. Any portions remaining unbuilt will be added later, by the client, as funds become available.

Arrangements will be made to permit the client to undertake some part of the construction themselves, if they wish, thereby further reducing the amount of the construction undertaken by CES.

Both parties recognise that the final construction cost will depend on choices made by the Client during the design process, and therefore the CES is not required to deliver plans for a house to be built at a stated price. The design work is to be done during the first part of 1985, so that construction can be started in the summer of 1985, provided that weather, city permits and other factors allow it.

#### ARTICLE 2. SCOPE OF WORK

CES will undertake the work in three phases.

Phase 1. Preliminary design. In this phase, the CES shall work with the Client to reach a thorough understanding of the family's needs, will make a preliminary layout of the house plan, with the Client, and will then prepare rough drawings of the proposed design at 1/8th inch scale.

Phase 2. Working drawings. In this phase, the CES shall prepare detailed working drawings sufficient to obtain final construction estimates, and to provide a basis for construction.

Phase 3. Construction supervision. Both the Client and the CES envisage that the Center for Environmental Structure will be the general contractor for construction of the project. In this case, the CES shall provide supervision of construction at no extra cost to the Client.

ARTICLE 3. DESIGN FEE AND SCHEDULE OF PAYMENTS.

The design fee for the work defined in article 2 is to be \$29,500, to be paid in the following installments:

(a) Retainer of 33%, to be paid upon signing of this agreement. This retainer will be applied to site planning work.

\$9,800

(b) Payment of 33% for preliminary design, to be paid when preliminary design is completed.

\$9,800

(c) Payment of 33% for working drawings, to be paid when working drawings are completed.

\$9,900

(e) Supervision of construction: as provided in Article 2, phase 3.

In addition, the following items are to be reimbursed, upon presentation of bills to the Client:

(a) All reproductions, drawings and prints of drawings or documents.

(b) Telephone and mileage charges connected with the project.

(c) Materials for construction mockups during phases 1 and 2.

(d) Travel, meals, and lodging while in the Seattle area, means of travel to be chosen by CES.

## ARTICLE 4. CHANGE OF SCOPE

The fixed fee is based on the assumption that the Client will build a house of the approximate size and cost defined in this contract, and will not make any changes after completion of the preliminary designs. The following adjustments will be made in the event of any changes in these assumptions:

(a) If the square foot area of the house or associated buildings increases above the figure mentioned in article 1, then the fee will be increased in direct proportion to the area.

(b) If the construction price, as reflected in the bid, increases above the figure mentioned in article 1, then the fee will be increased and prorated on the basis of 13.5% of expected total construction cost.

(c) If the Client wishes to make any fundamental changes in the design, after completion of the preliminary design phase, the CES shall be entitled to receive an additional payment for revised preliminary designs, and reimbursement for all work on working drawings which is rendered unusable.

(d) If the Client elects not to build the house, the CES shall be entitled to the full fee for whatever work has been completed, prorated in a fair fashion for any work half done.

## ARTICLE 5. CLIENTS OBLIGATIONS.

The Client will pay for the following services as needed, said services to be performed by professionals selected by the CES, and approved by the Client:

(a) A detailed survey of the land, with information about positions of services, and with contours drawn at one or two foot intervals.

- (b) Payment of any and all fees, including legal fees, required to obtain permits.
- (c) Soils survey and foundation design.
- (d) Structural engineering, as required.
- (e) Heating, mechanical and solar engineering, if required.

ARTICLE 6. CONSTRUCTION CONTRACT.

It is understood and agreed upon, by both the Client and the CES, that the construction contract for the house will be awarded to the Center for Environmental Structure. CES will obtain the necessary building permits and start construction work immediately after signing of a construction contract.

Within the framework of this understanding, both parties recognise that CES will begin preparation and organisation for construction, during the design period described in this contract. In the case that construction of the house does not begin within two months after issuance of a building permit, the client agrees to pay a reasonable cost over and above the fees defined earlier in this contract, to compensate CES for additional time and trouble in preparing for construction.

ARTICLE 7. ATTORNEYS FEES.

In the event that either party files suit to enforce the provisions of this contract, the prevailing party shall be entitled to a reasonable attorney's fee as cost of suit, to be fixed by the Court.

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For THE CENTER FOR ENVIRONMENTAL STRUCTURE

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MRS ANN MEDLOCK

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MR JOHN GRAHAM