

RED RIVER REDEVELOPMENT AUTHORITY

CONSTRUCTION CONTRACT

STATE OF TEXAS

COUNTY OF BOWIE

This contract and agreement is entered into by and between Red River Redevelopment Authority, hereinafter referred to as "Owner," and _____, hereinafter referred to as "Contractor," as follows:

**I.
WORK TO BE DONE**

The Contractor agrees to build, construct, erect and complete in a good and workmanlike manner, using new and unused materials only, and to provide all labor and materials required to do all things necessary for the proper construction and completion of Roof Repairs upon the property of Red River Redevelopment Authority in accordance with the plans and specifications prepared by RRRRA, dated the 5th day of June, 2009, which are attached hereto as Exhibit "B" and made a part hereof by reference for all purposes. Such improvements will be constructed upon that certain real property described in Exhibit "A" and incorporated herein for all purposes.

**II.
CONTRACT PRICE**

2.01. As a consideration for this agreement, the Owner agrees to pay to Contractor for the construction of the above identified improvements, the sum of \$_____.

2.02. Any changes to the plans and specifications, or work, shall be agreed to in writing only by Change Order executed by Owner and Contractor with an adjustment to the contract price as set forth in the Change Order.

2.03. The Owner shall pay to Contractor, the contract price as follows:

Monthly Draws on percentage of completion. With 5% retainage withheld. All billings shall be submitted for review by RRRRA Director of Operations.

2.04. Notwithstanding the payment provisions set forth in paragraph 2.03, during progress of the construction and for thirty (30) days after it is completed, Owner shall retain five percent (5%) of the contract price for a period of thirty-one days after full completion of the contract, or until all lien claims have been resolved.

III. CONSTRUCTION TIME

3.01. Liquidated Damages; CONTRACTOR and OWNER recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified herein, plus any extensions thereof allowed. The parties also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty), CONTRACTOR shall pay OWNER **\$125.00** for each day that expires after the time specified for Completion until the Work is complete.

3.02. Contractor agrees to build, construct and complete the above described improvements within 120 days from the date hereof; provided, however, a reasonable allowance shall be made in the event delays occur because of unseasonably bad weather, strikes or inability to obtain materials and supplies over which the Contractor has no control.

IV. DELIVERY OF MATERIALS & SUBCONTRACTS

Contractor will have materials used in the construction delivered to the site. RRRRA is not responsible for lost or stolen materials. Contractor must provide the security necessary to ascertain that the materials remain at the site during their use.

4.01. Contractor may award subcontracts on such work as is not normally performed by Contractor; however, Contractor shall be fully responsible for the workmanship and the materials provided by Subcontractors.

4.02. In making payments to Subcontractors, the Contractor shall not make a final payment to a Subcontractor without receiving in writing a written release of any and all liens from the Subcontractor. In the event a Subcontractor gives notice to the Owner in accordance with the terms of the Texas Property Code that the Subcontractor is claiming a lien upon the improvements and/or property, Owner after receiving notice of the unpaid claim from the Subcontractor may withhold payment to the Contractor in an amount sufficient to cover the unpaid claim of the Subcontractor until the dispute is resolved and Owner is furnished evidence of the settlement of the dispute in writing from both the Contractor and Subcontractor. A list of all subcontractors to perform work on this project shall be submitted to RRRRA prior to beginning of work.

V.
PAYMENT AND PERFORMANCE BONDS

5.01. Contractor agrees to provide a payment bond payable to Owner in the amount of the contract price. The bond must be provided prior to any performance of labor or delivery of materials.

5.02. Contractor agrees to provide a performance bond payable to Owner in the amount of the contract. The bond must be provided prior to any performance or labor or delivery of materials.

5.03. The bonds shall be provided in accordance with the requirements of Chapter 2253 of the Texas Government Code.

VI.
HAZARD INSURANCE

Owner agrees to procure and keep in force at all times during the construction of the improvements, providing sufficient insurance, upon the premises, against loss or damage by fire and the perils of extended coverage.

VII.
CONTRACTOR'S AND SUBCONTRACTOR'S INSURANCE

7.01. The Contractor shall not commence work under this contract until he has obtained all of the insurance required hereunder and such insurance has been approved by the Owner. Approval of the insurance by the Owner shall not relieve or decrease the liability of the Contractor hereunder. Certificates of insurance shall be provided to Owner evidencing the required coverages.

7.02. The Contractor shall take out and maintain during the life of this contract Statutory Worker's Compensation and Employer's Liability Insurance for all of his employees to be engaged in work on the project under this contract; and in case any such work is subcontracted, the Contractor shall either require the Subcontractors similarly to provide such insurance for all of the Subcontractor's employees to be engaged in such work, or Contractor will cover the employees of Subcontractors under his insurance policy.

7.03. The Contractor shall take out and maintain during the life of this contract such Bodily Injury and Property Damage Liability Insurance as shall protect it and any Subcontractor performing work covered by this contract for claims for damages for personal injury, including accident death, as well as from claims for property damage, which may arise from operations under this contract, whether such operations be by themselves or by Subcontractor or by anyone directly or indirectly employed by Contractor, and the amounts of such insurance shall not be less than:

- | | | |
|----|-----------------|---|
| A. | Bodily Injury | \$500,000.00 for any one person and
\$1,000,000.00 for any one accident. |
| B. | Property Damage | \$100,000.00 for any one accident and
\$300,000.00 for all accidents. |

7.04. The Contractor shall take out and furnish to the Owner and maintain during the life of this contract, Builders Risk Insurance in a sufficient amount to cover materials against theft, loss or damage.

VIII. RECEIPTS AND RELEASES

At completion, Contractor shall furnish Owner proper receipts and releases from any and all materialmen from whom any material is obtained by Contractor for use in said improvements, and from all Subcontractors to the end that no liens may be fixed upon said premises by a materialman or Subcontractor. Owner shall not be obligated to make final payment under the contract until said receipts and releases are furnished.

IX. RIGHT TO OFFSET

If at any time there should be notice of any lien or claim for labor or materials furnished to Contractor, for which, if established, Owner, or the property, might become liable, though primarily chargeable to Contractor, Owner shall in such case have the right to retain out of any payment or payments then due or to become due on the contract amount such amounts as may be sufficient to completely indemnify Owner against said lien or claim.

X. ASSIGNMENT

Part of the consideration and inducement offered to Owner for the execution of this agreement is the personal character, reputation, integrity, experience and ability of Contractor. For this reason, this contract may not be assigned by Contractor. In the event of death, or other disability, which prevents Contractor from personally managing, and participating in, Contractor's performance under this agreement, the Contractor, his personal representatives and successors shall not enter into any new subcontracts or continue construction without the written consent of Owner. As soon as practically possible after the occurrence of such a disabling event, Owner and Contractor, or Contractor's personal representatives or successors, shall meet to determine the action needed to complete construction. If Owner and Contractor have not been able to agree upon a course of action to complete construction within 15 days after the disabling event, Owner shall have the right to select a new Contractor to complete the construction, or to make demand upon the Performance Bond of Contractor for completion of Contract. In such event, Contractor, or his personal representatives or successors, shall execute such documents as necessary to assign this contract to the new Contractor selected by Owner or to the Surety on the Bond. In such case, Contractor shall be paid the Contractor's fee upon a prorated basis determined by the amount of the construction completed on the date of the disability.

XI.
CONTRACT EXECUTED BEFORE PERFORMANCE BEGUN

This contract is executed, acknowledged, and delivered before labor has been performed and before any material has been furnished for the construction of the improvements.

XII.
MISCELLANEOUS

12.01. Owner and Contractor agree to negotiate in good faith in an effort to resolve any dispute related to this agreement that may arise between them during the course of execution of the work. If the dispute cannot be resolved by negotiating, the dispute shall be submitted to mediation before resort to litigation. If the need for mediation arises, a mutually acceptable mediator shall be chosen by the parties to the dispute who shall share the cost of mediation services equally. During the negotiations and/or mediation of any dispute between the Owner and Contractor, execution of the work shall proceed unless the dispute relates to a design specification which prevents continuation of construction. Failure to pay a disputed invoice or charge until resolution of a dispute is not and shall not be a ground to suspend or terminate work.

12.02. It is expressly understood and agreed by and between Owner and Contractor that this agreement shall be governed by and its terms construed under the laws of the State of Texas. Any litigation arising out of this contract shall be filed in the District Court of Bowie County, Texas.

12.03. It is agreed that time shall be of the essence of this agreement and each and every provision hereof.

12.04. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

12.05. In the event either of the respective parties hereto shall default in any of its covenants or obligations and the other party not in default commences legal or equitable action against the defaulting party, the defaulting party agrees to pay all reasonable expenses of litigation, negotiation and appeal, including a reasonable sum for attorney's fees.

EXECUTED this the ____ day of _____, 200__.

OWNER:

RED RIVER REDEVELOPMENT AUTHORITY

By: _____
William V. Cork, Executive Director

Owner's Address:

Red River Redevelopment Authority
107 Chapel Lane
New Boston, Texas 75570

CONTRACTOR: _____

By: _____

_____, _____

Contractor's Address:

ATTACHMENTS:

Exhibit "A" - Legal Description of Real Property upon which Improvements
are to be made

Exhibit "B" - Plans and Specifications