

EXHIBITS
TO
DESIGN-BUILD AGREEMENT
BETWEEN
PUBLIC BUILDING COMMISSION OF CHICAGO
AND
PASCHEN MILHOUSE JOINT VENTURE
2013 SCHOOL INVESTMENT PROGRAM
PROJECT NUMBER 06
CONTRACT NUMBER PS1968
PUBLIC BUILDING COMMISSION OF CHICAGO



Mayor Rahm Emanuel
Chairman

Erin Lavin Cabonargi
Executive Director

Public Building Commission
Room 200
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JULY 2013

EXHIBIT 1 - DESIGN BUILDER DESIGN SERVICES

1. Complete the design for the Project and solicit Commission and User Agency reviews and approvals. Complete analysis of all Project requirements, including verification of the Scope and Performance Criteria, concept design, regulatory requirements, the conditions of the site and the survey. Consult with the Commission and Using Agency to establish the final design.
2. Provide design documents for written approval at the completion of Design Development, and Construction Documents as identified in Book 1, Article 3.
3. Provide all Coordination, Permit and Trade and Construction packages fourteen (14) days prior to issuance for Commission and User Agency review.
4. Prepare and professionally seal documents that will be issued by for regulatory reviews, approvals and permits. Conduct reviews and submit for review/permits with required regulatory agencies, including, but not limited to, Department of Buildings, Bureau of Fire Prevention, Chicago Department of Transportation, Mayor's Office for People with Disabilities, Office of Emergency Management and Communications, and Illinois Environmental Protection Agency. Conduct and prepare a code analysis package and/or Code Matrix, including, but not limited to, the following components:
 - a. Occupancy classification.
 - b. Construction type.
 - c. Occupant load by area and floor.
 - d. Travel distances.
 - e. Accessibility.
 - f. Exit types, units and widths.
 - g. Plumbing fixture counts.
 - h. Loading berths and parking requirements.
 - i. Fire resistance requirements.
5. Facilitate a Lessons Learned walk-thru of recently constructed projects as necessary with the Commission and User Agency. Document and issue for Commission and User Agency Approval a record of improvements and variations to be incorporated into design.
6. Coordination and support in the form of information, including but not limited to narratives, specifications, and drawings concerning the design, installation and operation of Building Automation Systems (BAS) to the Commission's independent BAS Commissioning Authority. (IF APPLICABLE)
7. Facilitate and document a Sustainable Design Plan for Commission and User Agency approval and provide follow up sessions as directed by the Commission Representative. The purpose of the Plan and meetings are to develop the appropriate design strategies and confirm that the Project's target LEED rating of silver is achievable for all project phases, and make alternative plans as required. Plan shall include LEED Checklist and narratives, including all LEED detail. (IF APPLICABLE)
8. Provide an energy simulation model using the DOE II Modeling Software. (IF APPLICABLE)
9. Preparation of Proposed Public Right of Way Amendment Plan and other documents necessary to illustrate any required amendments to the public right of way. (IF APPLICABLE)

EXHIBIT 1 - DESIGN BUILDER DESIGN SERVICES

10. Preparation of CDOT coordination drawings to the extent required by the Commission and CDOT to coordinate site work with planned improvements by the City of Chicago and CDOT. (IF APPLICABLE)
11. As required, prepare Request for Clarification submittals for the Commission or User Agency questions.
12. Preparation of storm water analysis and management proposal. (IF APPLICABLE)
13. Issuance of a zoning analysis package (if required).
14. Provide a utility coordination and public infrastructure plan. Administer a design phase and construction phase utility coordination meeting including but not limited to the following participants. (IF APPLICABLE)
 - a. Using Agency
 - b. Public Building Commission
 - c. Com Ed
 - d. Peoples Gas
 - e. AT&T
 - f. Comcast
 - g. Office of Emergency Management and Communications
 - h. Department of Water Management
 - i. Bureau of Electricity
15. Develop a keyed furniture, fixture and equipment plan and schedule for review and approval. The plan must locate devices requiring any power, data, communication, low voltage wiring, security and life safety equipment for Commission and User Agency review and approval. The plan will also indicate any equipment requiring water supply, drainage, condensate lines and vents for each device or piece of equipment. (IF APPLICABLE)
16. Develop a hardware and device location plan for Commission and User Agency review and approval. (IF APPLICABLE)
17. Develop a signage plan and specifications for Commission and User Agency review and approval. (IF APPLICABLE)
18. Certification of Compliance with Commission's Design Checklists submitted as part of the Book 3, Project Requirements of the Scope and Performance Criteria. (IF APPLICABLE)
19. Prepare and Submit for use by the Commission an Inspection and Testing Plan ten (10) days prior to any site construction activities. The plan must be in spreadsheet format, following the specification section numbering system. Each inspection, test and required certificate in the project Specifications shall be identified by specification section number. The Authorized Commission Representative upon request can provide a sample Inspection and Testing Plan for use. The Authorized Commission Representative will identify the testing firm(s) that will be used on the Project. The Inspection and Testing Plan must provide for:
 - a. Verification of responsibilities for providing inspections, tests and certificates
 - b. Scope of services for the testing and inspection services RFQ.

EXHIBIT 1 - DESIGN BUILDER DESIGN SERVICES

- c. A scorecard to monitor the completion of required inspections and tests, and the submittal of required certificates.
20. In addition to the Coordination set forth below, the Design Builder shall provide coordination services set forth in Book 2A, Standard Terms and Conditions Procedures Manual for Design Build Contracts. Architect Engineer shall issue MEP coordination documentation to the Commission for review. Architect Engineer shall coordinate and resolve:
- a. Space requirements between trades and/or disciplines.
 - b. Space requirements and access for maintenance and replacement all MEP equipment.
 - c. Incompatibility between items provided under different disciplines (such as difference in voltage between equipment specified under Division 15 and electrical power provided under Division 16).
 - d. Inconsistencies between drawings and specifications (between disciplines and within each discipline).
 - e. As required to manage discipline coordination, prepare drawings or models to manage discipline coordination, resolve conflicts, and present the findings of coordination process to the PBC's design review team.
 - i. Above ceilings in corridors to confirm that service, fixtures, and other devices can fit between the designed ceiling height and the bottom of any structural members or other obstructions. The horizontal spacing of these items will also be reviewed to confirm that desired locations of lighting fixtures and other devices can be achieved.
 - ii. Slabs where services would logically be installed within the slab on grade or on deck. The Architect will confirm that these services can fit within the slab cross section without compromising the structural integrity of the slab. Any limitations on embedded services will be noted on the construction documents.
 - iii. Areas and/or rooms where a significant number of services converge. This includes mechanical rooms, MDF rooms, IDF rooms, electrical closets, fire pump rooms, and any other areas or rooms where the coordination of individual or multiple services are required with multiple disciplines. Where a significant number of services penetrate a wall, floor, ceiling, or roof in close proximity, the Architect will design and detail an appropriate chase with respect to structural elements, code issues, and proper installation of the services.
 - iv. Within mechanical, equipment, and other specialty rooms to confirm that the required equipment, panels, racks, fixtures, ventilation, and other equipment, along with the services entering these rooms will fit within the designed space and layout. Checks will be made for door swings, as well as, equipment accessibility into and within the room.
 - v. Locations on the site or under the building where major existing or new utilities come in close proximity to each other and/or other new or existing structures. This would include locations where these services enter the building or penetrate the foundations.

EXHIBIT 1 - DESIGN BUILDER DESIGN SERVICES

21. Prepare documents that confirm that the appropriate power, communication, and other low voltage services are shown running to and from each required device/fixture and back to the appropriate originating or receiving location are included in the design. This coordination may be represented by a composite device/service schedule that cross references the appropriate interface points.
22. Architect Engineer shall provide no less than 12 hours per week solely dedicated to field observation of the construction in order to monitor the progress and conformance of the permanent features of the work to the requirements of the Contract Documents and submit periodic reports documenting their findings. This time is in addition to time dedicated to management, reviewing submittals, and attending project meetings. The Design Builder retains primary responsibility for ensuring the quality of construction. The Architect Engineer's on-site representative shall not be removed or replaced before final completion of the Project without the prior written approval of the Authorized Commission Representative. The Architect Engineer's on-site representative will be removed immediately upon written request of the Authorized Commission Representative.
23. Provide an expert in roofing on the Project Site throughout the construction/installation of the roof for the Project. (IF APPLICABLE)
24. Architect Engineer to conduct a comprehensive final inspection of the Project with the Authorized Commission Representative and User Agency to verify that the materials furnished and the work performed are substantially compliant with the contract documents.
 - a. The Design Builder is responsible for facilitating a walkthrough on site with the Authorized Commission Representative, Commissioning Agent and User Agency to review punch list items identified in the Design Builder's initial punch list. The Design Builder will consolidate and prepare punch lists indicating the items of work remaining to be accomplished before a Certificate of Final Acceptance will be issued. Prepare certificates of preliminary and final completion in consultation with the Commission and the User Agency.
25. Submittal, Record Document and Close requirements set forth in Book 2A, Standards Terms and Conditions Procedures Manual for Design Build Projects.

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EXHIBIT 2 – SCOPE AND PERFORMANCE CRITERIA

Design Builder acknowledges receipt of the initial Scope and Performance Criteria dated May 16, 2013, Update 1 to the Scope and Performance Criteria dated May 24, 2013, Update 2 to the Scope and Performance Criteria dated May 29, 2013, and Update 3 to the Scope and Performance Criteria dated June 4, 2013 for all schools in Project 06. These documents and the Construction Drawings and Specifications listed herein, including the noted exceptions/clarifications shown on Exhibit 3 form the basis for the Scope of Work for Project 06.

PBC SIP Project #6 – Specs and Drawings List

Specifications – Project Revisions Dated 6/12/13:

Division 01 – General Requirements

- 01 57 15 – Integrated Pest Management
- 01 60 00 – Product Requirements
- 01 73 00 – Execution
- 01 73 29 – Cutting and Patching
- 01 74 25 – Final Cleaning
- 01 78 39 – Project Record Documents

Division 02 – Existing Conditions

- 02 41 19 – Selective Demolition

Division 03 – Concrete

- 03 01 30 – Maintenance of Cast-In-Place Concrete
- 03 30 00 – Cast-In-Place Concrete

Division 04 – Masonry

- 04 01 20 – Maintenance of Unit Masonry
- 04 20 00 – Unit Masonry

Division 05 – Metals

- 05 31 23 – Steel Roof Decking
- 05 50 00 – Metal Fabrications

Division 06 – Wood, Plastics, and Composites

- 06 10 53 – Miscellaneous Rough Carpentry

Division 07 – Thermal and Moisture Protection

- 07 01 50.23 – Roof Removal
- 07 01 50.61 – Roof Deck Repair
- 07 01 50.65 – Roof Patching
- 07 01 60 – Maintenance of Flashing and Sheet Metal
- 07 42 47 – Composite Window Infill Panels
- 07 51 13 – Built-Up Asphalt Roofing
- 07 52 00 – Modified Bituminous Membrane Roofing
- 07 62 00 – Sheet Metal Flashing and Trim
- 07 84 13 – Penetration Firestopping
- 07 92 00 – Joint Sealants

Division 08 – Openings

- 08 11 13 – Hollow Metal Doors and Frames
- 08 11 14 – Hollow Metal Frames
- 08 14 16 – Flush Wood Doors
- 08 15 00 – Fiberglass Reinforced Polyester (FRP) Flush Door Assemblies
- 08 56 57 – Window Guards- Exterior
- 08 71 00 – Door Hardware

Division 09 – Finishes

- 09 01 22 – Plaster Patching
- 09 01 24 – Plaster Renovation
- 09 01 33 – Tiling Restoration
- 09 01 53 – Acoustical Ceiling Tile Restoration

09 01 63 – Terrazzo Flooring Restoration
09 21 16 – Gypsum Board Assemblies
09 30 00 – Tiling
09 51 13 – Acoustical Panel Ceilings
09 64 29 – Wood Strip and Plank Flooring
09 65 13 – Resilient Base and Accessories
09 65 19 – Resilient Tile Flooring
09 91 00 – Painting
09 91 03 – Renovation Painting- Surface Preparation
09 91 05 – Renovation Painting

Division 10 – Specialties

10 11 03 – Chalkboard to Markerboard Conversion
10 14 03 – Interior Signage
10 21 13 – Toilet Compartments
10 28 13 – Toilet Accessories

Division 11 – Equipment

11 53 13 – Laboratory Fume Hoods

Division 12 – Furnishings

12 24 13 – Roller Window Shades - Manual
12 56 35 – Classroom Furniture - Computer Desks
12 61 00 – Fixed Audience Seating

Division 22 – Plumbing

22 05 48 – Vibration Controls for Plumbing Piping and Equipment
22 05 53 – Identification for Plumbing Piping and Equipment
22 07 00 – Plumbing Insulation
22 11 16 – Domestic Water Piping
22 11 19 – Domestic Water Piping Specialties
22 11 23 – Domestic Water Pumps
22 11 23.13 – Domestic Water Packaged Booster Pumps
22 13 16 – Sanitary Waste and Vent Piping
22 14 13 – Facility Storm Drainage Piping
22 14 23 – Drainage Piping Specialties
22 36 00 – Commercial Fuel-Fired Water Heaters
22 40 00 – Plumbing Fixtures
22 66 53 – Chemical Waste Piping

Division 23 – Heating, Ventilating, and Air Conditioning

23 05 03 – General Provisions for HVAC Work
23 05 05 – Basic Mechanical Materials and Methods
23 05 13 – Common Motor Requirements for HVAC Equipment
23 05 16 – Expansion Fittings and Loops HVAC Piping

Division 26 – Electrical

26 05 03 – General Requirements for Electrical Systems
26 05 05 – Basic Electrical Materials and Methods
26 05 11 – Conductors and Cables
26 05 26 – Grounding and Bonding for Electrical Systems
26 05 29 – Hangers and Supports for Electrical Systems
26 05 33 – Raceways and Boxes for Electrical Systems
26 05 53 – Identification for Electrical Systems
26 05 73 – Overcurrent Protective Device Coordination Study

26 08 13 – Testing of Electrical Systems
26 24 13 – Switchboards
26 24 16 – Panelboards
26 27 26 – Wiring Devices
26 28 13 – Fuses
26 28 16 – Enclosed Switches and Circuit Breakers
26 29 13 – Enclosed Controllers
26 36 00 – Transfer Switches
26 43 00 – Surge Protection Devices
26 51 00 – Interior Lighting

Division 27 – Communications

27 05 03 – General Requirements for Communications
27 05 53 – Identification for Communications Systems
27 08 00 – Commissioning of Communications
27 11 16 – Communications Cabinets Racks and Enclosures
27 15 00.19 – Communications Horizontal Cabling
27 51 26 – Assistive Listening Device Systems
27 60 13 – Wireless Access Points for Data Communications

Division 33 - Utilities

33 51 13 – Natural Gas Piping

Hughes Elementary Issued for Permit Drawings 6/25/13:

General Information:

A000 Cover Sheet, Key Plan, and Code Matrix
A010 General Notes / Drawing Index

Architectural:

A110 First Floor Plan
A111 First Floor Plan
A120 Second Floor Plan
A121 Second Floor Plan

A130	Roof Plan
A131	Roof Plan
A300	Exterior Elevations
A301	Exterior Elevations
FS111	Food Service Floor Plans

Mechanical:

M001	Mechanical Symbols, Notes, and Abbreviations
M111	First Floor Plan

Electrical:

E001	Electrical Symbols, Notes, and Abbreviations
E002	Single Line Diagrams
E003	Schedules
E110	First Floor Plan
E111	First Floor Plan
E120	Second Floor Plan
E121	Second Floor Plan
E211	Food Service Floor Plans
E220	Room 203 Computer Labs
E300	Details
E301	Details
E302	Details
E303	Details

Plumbing:

P001	Plumbing Symbols, Notes, and Abbreviations
P110	First Floor Plan
P111	First Floor Plan
P120	Second Floor Plan
P121	Second Floor Plan
P211	Food Service Floor Plans
P300	Plumbing Details

Johnson Elementary IFC Drawings 6/24/13:

General Information:

N000	Title Sheet
N001	Drawing List, Abbreviations, and Notes

Architectural:

A000	Key Plans
A100	First Floor Renovation Plan
A101	Roof Renovation Plan
A400	Enlarged Lunchroom Plans
A401	Enlarged Lunchroom Plans
A600	Details

Mechanical:

M100 Mechanical Floor Plans
M500 Mechanical Schedules

Plumbing:

P000 Plumbing Symbols and Abbreviations
P100 First Floor Plumbing Plan
P500 Plumbing Schedules

Electrical:

E000 Electrical Symbols and Abbreviations
E100 First Floor Power Plan
E101 Second Floor Power Plan
E102 Third Floor Power Plan
E103 Fourth Floor Power Plan

Lawndale Elementary Main Building Issued for Revision Drawings 7/10/13:**General Information:**

A000 Cover Sheet, Key Plan, and Code Matrix
A010 General Notes / Drawing Index

Architectural:

A100 Basement Floor Plan
A110 First Floor Plan
A120 Second Floor Plan
A130 Third Floor Plan
A140 Fourth Floor Plan
A150 Roof Plan

A300	Exterior Elevations
A400	Details and Door Schedule

Mechanical:

M001	Mechanical Systems, Notes, and Abbreviations
M100	Basement Floor plan
M120	Second Floor Plan
M140	Fourth Floor Plan

Electrical:

E001	Electrical Symbols, Notes, and Abbreviations
E002	Single Line Diagram
E003	Schedules
E100	Basement Floor Plan
E110	First Floor Plan
E120	Second Floor Plan
E130	Third Floor Plan
E140	Fourth Floor Plan
E150	Roof Plan
E300	Details
E301	Details
E302	Details

Plumbing:

P001	Plumbing Symbols, Notes, and Abbreviations
P100	Basement Floor Plan
P110	First Floor Plan
P120	Second Floor Plan
P130	Third Floor Plan
P140	Fourth Floor Plan
P300	Plumbing Details

Lawndale Elementary Annex Building Issued for Revision Drawings 7/10/13:

General Information:

A000	Cover Sheet
A010	General Notes / Drawing Index

Architectural:

A110	First Floor Plan
A120	Second Floor Plan
A130	Third Floor Plan
A140	Roof Plan
A300	Exterior Elevations

Mechanical:

M001	Mechanical Symbols, Notes, and Abbreviations
M110	Mechanical First Floor Plan

Electrical:

E001	Symbols, Notes, and Abbreviations
E002	Single Line Diagram
E003	Schedules
E110	First Floor Plan
E120	Second Floor Plan
E130	Third Floor Plan

Plumbing:

P001	Plumbing Symbols, Notes, and Abbreviations
P110	First Floor Plan
P300	Plumbing Details

Sumner Elementary IFC Drawings 7/10/13:**General Information:**

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G0.00	General Information
G1.01	Key Notes
G1.02	ADA Standards

Architectural:

A1.01	Site Plan
A1.02	Key Plans
A1.03	Key Plans
A1.04	Key Plans

A2.01	Toilet Room Plans
A2.02	Toilet Room Plans
A2.03	Toilet Room Plans
A4.01	Wall Types
A4.02	Door Schedule
A4.03	Signage Plans
A4.04	Signage Plans

Mechanical:

M-0	General Notes, Symbol List, and Abbreviations
M-1	Basement Main and First Floor Addition
M-2	First Floor Main and Second Floor Addition
M-3	Second Floor Main and Third Floor Addition
M-4	Third Floor Addition
M-5	Schedules and Details

Electrical:

E-1A	First Floor Annex
E-2A	Second Floor Annex
E-3A	Annex Building One Line Diagram, Panel Schedules, and Detail
E-4	Third Floor and Partial Second Floor Computer Room
E-5	Main Building One Line Diagram, Panel Schedules, and Detail
E-6	Panel Schedules
E-7	Electrical Details
E-8	Electrical Details
E-9	Electrical Details

Plumbing:

P0.0	Plumbing Symbols, Notes, and Abbreviations
P-1	Basement Main and First Floor Addition
P-2	First Floor Main and Second Addition
P-3	Second Floor Main and Third Floor Addition
P-4	Third Floor Main
P-5	Plumbing Schedules and Details

EXHIBIT 3 –EXCEPTIONS/CLARIFICATIONS TO CONSTRUCTION DRAWINGS AND SPECIFICATIONS

Design-Builder acknowledges submission of Construction Drawings and Specifications as shown on Exhibit 2 and notes the following exceptions/clarifications;

Hughes Elementary

- None

Lawndale Elementary

1. Drawing A130 for the main building shows a computer lab in Classroom 325. This Computer Lab was relocated to Classrooms 421/422. Drawing A140 does include the computer lab, but was not deleted from A130. Only work in Classroom 325 is to scrape, patch, and paint walls and ceilings.
2. Keynote #1 indicates to remove masonry and replace lintels on drawing A300 for the annex. This work has been revised to tuckpointing per directive dated 7/9/13.
3. Per the directive on 7/9/13, the FRP doors were deleted from the scope and drawings. On 7/16/13 the FRP doors were added back into the scope, but the cost is not included/reflected in the GMP. Doors, frames, and hardware will need to be reordered.

Johnson Elementary

1. All work associated with the kitchen renovation in Lunchroom 102 and Kitchen 117 has been deleted from our scope per directive dated July 9, 2013. Items that were removed prior to direction will need to be reinstalled/furnished. MHFS line has been manufactured and will be delivered to the school.
2. Remove existing AC metal panel infill (work completed by PBC) and toggle switch (by FHP). Provide new AC Unit, insulated metal panel (work completed by PBC) and keyed switch (by FHP). – See detail on A600. This note was not included on the drawings and will be added to clarify scope of work.
3. Provide new support brackets to existing A/C unit (Work completed by PBC) – See similar detail on A600. This note was not included on the drawings and will be added to clarify scope of work.
4. Mechanical schedules on M500 were not note updated per the 6/24/13 set of drawings. AC's 12, 17 and 18 will be the only AC units which remain.
5. Charging stations at classrooms are still included on the drawings, this will need to be deleted from drawings according to per directive on 6/20/13.

Sumner Elementary

1. Electrical drawings for annex, E-1A and E-2A, show work in bathrooms and battery packs in hallways. This was not deleted off of the current set of drawings and will need to be. Power for AC units and wireless access point shall be the only electrical work for the annex. Per the lasted scope sheet dated 6/25/13, power was added for the A/C units. The cost of the wireless access points were not included in the scope sheet. Addition environmental will need to be quantified

and a change order will be submitted towards our contract for the additional wireless access points and environmental work in the annex.

2. Plumbing drawings P-3 and P-4 indicates drinking fountains to be installed in the main building. These drinking fountains are to be relocated to the addition per correspondence on 7/17/13.
3. Plumbing drawings P-3 and P-4 crosses out the work in the toilet rooms on the second floor of the main building and the third floor if the addition. Fixtures were demoed prior to the directive which deleted the scope of work. We have been directed to cap plumbing at the wall and leave fixtures in toilet rooms.

EXHIBIT 4 – RESERVED

EXHIBIT 5 – DESIGN BUILDER GUARANTEED MAXIMUM PRICE FORM

Project Number: 06

Design – Builder: PASCHEN

Contract Number: 1968

Cost of Construction.....	\$4,502,948.00
Cost of Design (Architect and Engineer) Fees	\$596,614.00
General Conditions	\$532,529.00
General Requirements	\$230,500.00
Design-Builder's Contingency	\$187,691.00
Design-Builder's Overhead and Fee	\$510,243.00

GUARANTEED MAXIMUM PRICE

\$6,560,525.00

Guaranteed Maximum Price - Summary by Facility

Project 6

Paschen Milhouse

Facility #	Facility Name	Proposed Construction Costs	Proposed Design Fees	Proposed Design-Builder's General Requirements	Proposed Design-Builder's General Conditions	Proposed Cost of Work	Proposed Design-Builder's Contingency	Proposed Design-Builder's Fee and overhead	Total D/B GMP
18290	Hughes, Charles	\$ 862,210	\$ 83,580	\$ 38,844	\$ 111,757	\$ 1,096,390	\$ 36,672	\$ 94,268	\$1,227,329
18330	Johnson	\$ 296,941	\$ 60,000	\$ 20,104	\$ 53,499	\$ 430,534	\$ 14,936	\$ 37,017	\$ 482,487
18645	Lawndale	\$ 1,685,947	\$ 109,750	\$ 57,806	\$ 116,014	\$ 1,969,517	\$ 56,248	\$ 172,236	\$2,198,001
18520	Sumner	\$ 1,657,851	\$ 343,284	\$ 113,747	\$ 251,269	\$ 2,366,151	\$ 79,835	\$ 206,721	\$2,652,707
Totals		\$ 4,502,948	\$ 596,614	\$ 230,500	\$ 532,529	\$ 5,862,592	\$ 187,691	\$ 510,243	\$6,560,525

EXHIBIT 6 - RESERVED

EXHIBIT 7 - COMPENSATION/COST OF THE WORK

1. COMPENSATION FOR DESIGN BUILD SERVICES

- a. DESIGN PHASE SERVICES. The Design Builder shall be paid a lump sum fee for Design Phase Services of \$596,614.00 in accordance with Article 7 of Book 1 and Exhibit 5.
- b. DESIGN BUILDER'S OVERHEAD AND FEE. The Design Builder shall be paid a lump sum amount of overhead and fee of \$510,243.00 in accordance with Article 7 of Book 1 and Exhibit 5.

2. DESIGN BUILDER'S COMPENSATION FOR CONSTRUCTION PHASE SERVICES

- a. Design Builder shall be paid a lump sum of \$532,259.00 as full compensation for General Conditions; and
- b. a sum that shall not exceed \$230,500.00 for General Requirements; and
- c. a sum that shall not exceed \$4,502,948.00 for Construction Costs as provided in Section 8.2 of Book 1 and Exhibit 5.
- d. GENERAL CONDITIONS ITEMS.
The Design Builder's General Conditions Items includes compensation for the following work and services:

- .1 Management, Supervisory and Technical Personnel, including, without limitation:

- .1 Project Executive
 - .2 Senior Project Manager, Project Manager
 - .3 Assistant Project Manager, Project Engineers
 - .4 MEP Coordinator
 - .5 General Field Superintendent, Senior Field Superintendent
 - .6 Field Superintendent, Assistant Superintendent
 - .7 Timekeeper
 - .8 Secretary, Clerical
 - .9 Accountant

- .2 General and administrative expenses for site office, including, without limitation:

- .1 Project Office/Field Office
 - .2 Storage Trailers/Sheds
 - .3 Office Supplies Furniture & Equipment
(Copier, Fax, Computers, Printers, Plotters)

- .3 Communication Equipment

EXHIBIT 7 - COMPENSATION/COST OF THE WORK

- .1 Telephone service including local calls and site telephone service.
- .2 Mobile Phone Service
- .3 Computer charges, including internet service.
- .4 Miscellaneous
 - .1 Parking, mileage and cab fares.
 - .2 Data processing costs related to the work.

e. GENRAL REQUIREMENTS REIMBURSEMENT ITEMS

Design Builder shall provide a schedule of values for the General Requirements Reimbursement items (General Requirements Schedule of Values), which General Requirements Schedule of Values shall be the basis of payment to the Design Builder for any such costs incurred. Design Builder shall submit invoices and/or contracts (including timesheets for work performed by Design Builder's own forces, if applicable) for all General Requirements Reimbursement Items with each monthly Payment Application to support the cost incurred for the previous month. The Design Builder's General Requirements Reimbursement Items shall include the following:

- .1 Building Layout and Elevation Benchmarks
- .2 Street Cleaning/Snow Removal
- .3 Pest Control
- .4 Access Road Maintenance
- .5 Construction Barricade Graphics
- .6 Temporary Utilities
 - .1 Temporary Gas Lines
 - .2 Temporary Energy Costs (Stated as an Allowance)
 - .3 Temporary Utility Enclosures
 - .4 Temporary Heat
 - .5 Temporary Water for Drinking
- .6 Safety
 - .1 Carpenters for Safety Maintenance
 - .2 Temporary Stair Maintenance
 - .3 Handrails and Toe Board Maintenance
 - .4 Safety Equipment
 - .5 Overhead Protection/Canopies
 - .6 First Aid Supplies
- .7 Watchman Services
- .8 Fences and Gates
- .9 General Cleaning and Disposal

EXHIBIT 7 - COMPENSATION/COST OF THE WORK

- .1 General Construction Cleaning
- .2 Dumpster Container service, removal and disposal
- .3 Floor Trash Buggies
- .4 Labor for General Cleanup
- .10 Miscellaneous
 - .1 Monthly Construction Progress Photos
 - .2 Postage/Overnight mail/Messenger Service
 - .3 Out of Town Travel Expenses
 - .4 Temporary Toilets
 - .5 Copier Charges
 - .6 Bidding Document CD's and Revisions
 - .7 Long Distance Communications
- .11 Pre-Conditions Site Survey
- .12 Settlement Survey
- .13 Vibration Monitoring
- .14 Indoor Air Quality Monitoring

3. OTHER COMPONENTS OF THE GMP

- a. Allowances. The Commission and the Design Builder acknowledge that certain portions of the work need not or will not be able to be established prior to establishing the GMP. The Design Builder has, as a part of the GMP, established a reasonable estimate of the cost based upon available information for such portions of the Work. Such estimates are set forth as "Allowances" in Exhibit 5 – Guaranteed Maximum Price Form. The Design Builder shall obtain trade contractor prices for such Allowances, when appropriate. Design Builder shall be entitled to compensation if the actual cost for the portions of Work reflected in the Allowance line item exceeds the Allowance. The Cost of the Work and Project GMP shall also be decreased by the amount the actual cost for such portions of the Work are less than the Allowance. At such time as the Design Builder executes subcontracts for any of the scopes of work identified as Allowances, such Allowance line items shall be deemed converted from Allowances to Construction Costs and shall be treated accordingly.
- b. The sum of the General Conditions and Requirements, Construction Costs, Allowances (as defined hereinafter), Bonds and Insurance, Cost of Design, and the Design Builder Contingency (as defined hereinafter) shall be referred to as the Cost of the Work.

4. Commission Contingencies, Commission Allowance Items and Design Builder Allowances

[Reserved]

EXHIBIT 7 - COMPENSATION/COST OF THE WORK

5. DESIGN BUILDER'S CONTINGENCY

- a. The Design Builder's Contingency ("DB Contingency") shall be established at the time of the Project GMP as set forth in Exhibit 5 as mutually agreed to by the Commission and the Design Builder. The DB Contingency may be used to pay Construction Cost overages not the subject of a Change Order. Permissible uses of the DB Contingency also include, without limitation, funding shortfalls between line items in the GMP and the Schedule of Values that are not the result of the Design Builders acts, errors or omissions.
- b. Except as specifically set forth in the Agreement, the DB Contingency shall not be used to fund Work that the parties agree is the proper subject of a Change Order. Payment of funds out of the DB Contingency is conditioned upon the Design Builder diligently attempting to obtain performance from subcontractors without first using the DB Contingency. If Design Builder accesses the DB Contingency in connection with an event for which insurance proceeds may be available, the Design Builder shall take all reasonable measures to recover under the insurance coverage and shall reimburse the DB Contingency to the full amount of such recovery up to the amount of the DB Contingency allocation at issue.
- c. The Design Builder shall not be entitled to any additional overhead, profit or other markup on any DB Contingency expenditure as the parties acknowledge that the Design Builder's Fee covers such overhead, profit or other mark-up. The DB Contingency shall be used in accordance with the Agreement and Exhibits. When accessing the DB Contingency, the Design Builder shall provide the Commission with contemporaneous written notice, which notice shall include a description and amount of the Cost of the Work to be covered by the DB Contingency, the entities being paid, and the reasons for the use of the DB Contingency. In the event that the Commission determines that the application of the DB Contingency was inconsistent with the terms of the Agreement or this Exhibit, the Design Builder shall be responsible for returning such sums to the DB Contingency.

6. ITEMS NOT INCLUDED IN THE COST OF THE WORK

The following items are not included and shall not be included in the Cost of the Work.

- a. Salaries and other compensation of the Design Builder's personnel stationed at the Design Builder's principal office or offices other than the Project Site.
- b. Expenses of the Design Builder's principal office and offices, other than the site office.

EXHIBIT 7 - COMPENSATION/COST OF THE WORK

- c. Overhead and general expenses except as may be set forth in the Agreement or this Exhibit.
- d. The capital expenses of the Design Builder and the subcontractors including interest on capital employed in furtherance of the Work
- e. Costs due to the default or negligence of the Design Builder or anyone directly or indirectly employed by the Design Builder, including without limitation, costs for the correction of damaged, defective or non-confirming Work, except as allowed by the Design Builder's Contingency, disposal and replacement of materials and equipment incorrectly ordered or supplied and repairing damage to property not forming a part of the Work.
- f. Overtime wages or salaries (and fringe benefits related thereto) incurred by the Design Builder as a result of the Design Builder's failure to perform the work in a timely manner in accordance with the Construction Schedule except as allowed by the Design Builder's Contingency;
- g. Costs that would cause the Project GMP to be exceeded.

7. ADMINISTRATION OF ALLOWANCES AND CONTINGENCIES

- a. Design Builder Allowances. Any Overage on a Design Builder Allowance Item shall be allocated from the Commission Contingency or funded by a Change Order to the Project GMP from other Commission Funds at the Commission's sole discretion. Any such allocation shall be performed pursuant to the Commission's Change Order Process defined in Article 17 of Book 2. In the event that any Design Builder Allowances or partial amounts thereof remain unused at the completion of the Work, the Design Builder shall allocate any such unused amounts to the Commission Contingency. Any such re-allocation shall be made on the Payment Application following the completion of the Work for which the Design Builder Allowance was established.
- b. Design Builder Contingency. In the event that any Design Builder Contingency remains unused at the completion of the Work, the Commission shall issue a deductive Amendment to reduce the GMP so any unused portion of the Design Builder Contingency remains with the Commission.

EXHIBIT 8 – SCHEDULE B: JOINT VENTURE AFFIDAVIT

SCHEDULE B ATTACHED HERETO AND EXECUTED COPY OF JOINT VENTURE AGREEMENT

SCHEDULE B - Joint Venture Affidavit (1 of 3)

This form need not be filled in if all joint venturers are MBE/Non-MBE or WBE/Non-WBE firms. In such case, however, a written joint venture agreement among the MBE/Non-MBE or WBE/Non-WBE firms should be submitted. Each MBE/WBE joint venturer must also attach a copy of their current certification letter.

1. Name of joint venture Paschen Milhouse Joint Venture
2. Address of joint venture 5515 N. East River Road, Chicago, IL 60656
3. Phone number of joint venture 773-444-3474
4. Identify the firms that comprise the joint venture
F.H. Paschen, S.N. Nielsen & Associates LLC (FHP)
Milhouse Construction, Inc.
 - A. Describe the role(s) of the MBE/WBE firm(s) in the joint venture. (Note that a "clearly defined portion of work" must here be shown as under the responsibility of the MBE/WBE firm.)
As part of the Design Build Team, Milhouse will provide Project Management, Field Supervision, Quality Control, in addition to participation on the Joint Venture Committee.
 - B. Describe very briefly the experience and business qualifications of each non-MBE/WBE joint venturer.
F.H. Paschen is a contractor involved in the construction of public infrastructure for the City, State and Local Governments
5. Nature of joint venture's business
Design Build
6. Provide a copy of the joint venture agreement.
7. Ownership: What percentage of the joint venture is claimed to be owned by MBE/WBE? 20 %
8. Specify as to:
 - A. Profit and loss sharing 80% FHP / 20% Milhouse %
 - B. Capital contributions, including equipment 80% FHP / 20% Milhouse %
 - C. Other applicable ownership interests, including ownership options or other agreements which restrict ownership or control. N/A
 - D. Describe any loan agreements between joint venturers, and identify the terms thereof.
N/A

SCHEDULE B - Joint Venture Affidavit (2 of 3)

9. Control of and participation in this Contract: Identify by name, race, sex, and "firm" those individuals (and their titles) who are responsible for day-to-day management and policy decision making, including, but not limited to, those with prime responsibility for:

A. Financial decisions

James V. Blair - White, Male, FHP
Wilbur C. Milhouse - African America, Male, Milhouse

B. Management decisions such as:

1) Estimating Chuck Freiheit - White, Male, FHP

2) Marketing and Sales Larry Mix - White, Male, FHP

3)	Hiring and firing of management personnel	Chuck Freiheit - White, Male, FHP Joe Zurad - White, Male, Milhouse
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4)	Other	N/A
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C. Purchasing of major items or supplies Mike Clementi - White, Male, FHP
Daryl Lesny - White, Male, FHP

D. Supervision of field operations	Mike Clementi - White, Male, FHP Daryl Lesny - White, Male, FHP
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E. Supervision of office personnel
Mike Clementi - White, Male, FHP
Daryl Lesny - White, Male, FHP

F. Describe the financial controls of the joint venture, e.g., will a separate cost center be established; which venturer will be responsible for keeping the books; how will the expense therefor be reimbursed; the authority of each joint venturer to commit or obligate the other. Describe the estimated contract cash flow for each joint venturer.

The Joint Venture is a unique entity that has a separate set of accounting records. Each Joint Venture Partner will be a subcontractor to the Joint Venture and will be reimbursed for actual costs to the project. The majority partner, FHP (80%) has authority to commit on behalf of the Joint Venture. Initial cash flow will be \$8,000 for FHP and \$2,000 for Milhouse.

G. State approximate number of operational personnel, their craft and positions, and whether they will be employees of the majority firm or the joint venture.

The Joint Venture will not have any employees.

10. Please state any material facts of additional information pertinent to the control and structure of this joint venture.

None

SCHEDULE B - Joint Venture Affidavit (3 of 3)

THE UNDERSIGNED SWEAR THAT THE FOREGOING STATEMENTS ARE CORRECT AND INCLUDE ALL MATERIAL INFORMATION NECESSARY TO IDENTIFY AND EXPLAIN THE TERMS AND OPERATIONS OF OUR JOINT VENTURE AND THE INTENDED PARTICIPATION BY EACH JOINT VENTURER IN THE UNDERTAKING. FURTHER, THE UNDERSIGNED COVENANT AND AGREE TO PROVIDE TO THE PUBLIC BUILDING COMMISSION OF CHICAGO CURRENT, COMPLETE AND ACCURATE INFORMATION REGARDING ACTUAL JOINT VENTURE WORK AND THE PAYMENT THEREFOR AND ANY PROPOSED CHANGES IN ANY OF THE JOINT VENTURE AGREEMENTS AND TO PERMIT THE AUDIT AND EXAMINATION OF THE BOOKS, RECORDS, AND FILES OF THE JOINT VENTURE, OR THOSE OF EACH JOINT VENTURER RELEVANT TO THE JOINT VENTURE, BY AUTHORIZED REPRESENTATIVES OF THE COMMISSION. ANY MATERIAL MISREPRESENTATION WILL BE GROUNDS FOR TERMINATING ANY CONTRACT WHICH MAY BE AWARDED AND FOR INITIATING ACTION UNDER FEDERAL OR STATE LAWS CONCERNING FALSE STATEMENTS.

Note: If, after filing this Schedule B and before the completion of the joint venture's work on this Contract, there is any significant change in the information submitted, the joint venture must inform the Public Building Commission of Chicago, either directly or through the General contractor if the joint venture is a subcontractor.

F.H. Paschen, S.N. Nielsen & Associates LLC

Name of Joint Venturer

Joseph V. Scarpelli

Signature

Joseph V. Scarpelli

Name

Agent/Executive Vice President

Title

6/13/13

Date

State of Illinois County of Cook

On this 12 day of June, 2013

before me appeared (Name)

Joseph V. Scarpelli

to me personally known, who, being duly sworn,

did execute the foregoing affidavit, and did state

that he or she was properly authorized by

(Name of Joint Venture)

Paschen Milhouse Joint Venture

to execute the affidavit and did so as his or her

free act and deed.

Notary Public

Commission expires: 3/24/14
(SEAL)



Milhouse Construction, Inc.

Name of Joint Venturer

Wilbur C. Milhouse III

Signature

Wilbur C. Milhouse III

Name

President

Title

6/13/13

Date

State of Illinois County of Cook

On this 12 day of June, 2013

before me appeared (Name)

Wilbur C. Milhouse III

to me personally known, who, being duly sworn,

did execute the foregoing affidavit, and did state

that he or she was properly authorized by

(Name of Joint Venture)

Paschen Milhouse Joint Venture

to execute the affidavit and did so as his or her

free act and deed.

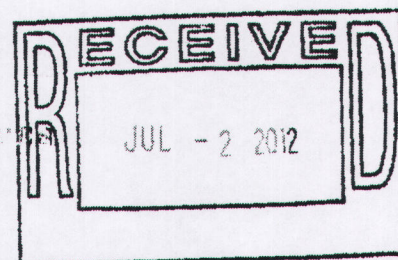
Notary Public

Commission expires:
(SEAL)





DEPARTMENT OF PROCUREMENT SERVICES
CITY OF CHICAGO



JUN 19 2012

Mr. Wilbur Milhouse III
Milhouse Engineering & Construction, Inc.
60 E. Van Buren St., Suite 1501
Chicago, IL 60605

Annual Certificate Expires: July 1, 2013

Dear Mr. Milhouse:

Congratulations on your continued eligibility for certification as a **Minority Business Enterprise (MBE)** by the City of Chicago. This certification is valid until **July 1, 2013**.

You have an affirmative duty to file for recertification 60 days prior to the date of expiration. Therefore, you must file for recertification by **May 1, 2013**.

It is important to note that you also have an ongoing affirmative duty to notify the City of Chicago of any changes in ownership or control of your firm, or any other fact affecting your firm's eligibility for certification within 10 days of such change. These changes may include but are not limited to a change of address, change of business structure, change in ownership or ownership structure, change of business operations, and/or gross receipts that exceed the program threshold.

Please note – you shall be deemed to have had your certification lapse and will be ineligible to participate as a MBE/WBE/BEPD if you fail to:

- file your No Change Affidavit within the required time period;
- provide financial or other records requested pursuant to an audit within the required time period; or
- notify the City of any changes affecting your firm's certification within 10 days of such change.

JUN 19 2012

Further, if you or your firm is found to be involved in certification, bidding and/or contractual fraud or abuse, the City will pursue decertification and debarment. And in addition to any other penalty imposed by law, any person who knowingly obtains, or knowingly assists another in obtaining, a contract with the city by falsely representing that the individual or entity, or the individual or entity assisted, is a minority-owned business or a woman-owned business, is guilty of a misdemeanor, punishable by incarceration in the county jail for a period not to exceed six months or a fine of not less than \$5,000.00 and not more than \$10,000, or both.


Your firm's name will be listed in the City's Directory of Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

<u>NAICS</u>	<u>Description</u>
541330	Engineering Services
236220	Construction Management, Commercial, and Institutional Building
237310	Construction Management, Highway, Road, Street, and Bridge

Your firm's participation on City contracts will be credited only toward Minority Business Enterprises (MBE) and Women Business Enterprise (WBE) goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority Business Enterprise (MBE) and Woman Business Enterprise (WBE) Program.

Sincerely,



Jamie Rhee
Chief Procurement Officer

JR/cm

JOINT VENTURE AGREEMENT

This Joint Venture Agreement (the "Agreement") is executed this 17th day of April 2013, by and between F.H. Paschen, S.N. Nielsen & Associates LLC ("FHP"), an Illinois Limited Liability company, having its principal place of business at 5515 N. East River Road, Chicago, IL 60656 and Milhouse Construction, Inc. ("MCI"), an Illinois Incorporated Company, having its principal place of business at 60 E. Van Buren St., STE 1501, Illinois 60605, shall collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Public Building Commission (the "Owner"), has solicited bids for a construction project known as 2013 School Investment Program Request for Proposals ("RFP") for Design-Build Services (hereinafter referred to as the "Project"); and

WHEREAS, the Parties desire to associate with one another as joint venturers for the purpose of (i) preparing and submitting to the Owner a Proposal and Bid (hereinafter collectively referred to herein as the "Proposal and Bid") for the award of the Project and, (ii) if successful, to construct the Project pursuant to the terms of a Contract with the Owner (the "Contract"); and

WHEREAS, in connection with the Proposal and Bid, and the Contract if the Proposal and Bid is accepted by the Owner, the Parties hereto desire to describe, define and agree upon their respective duties, rights, interest and obligations as between themselves with respect to the Bid issued by the Joint Venture to the Owner and/or the Contract if awarded by the Owner to the Joint Venture.

NOW THEREFORE, in consideration of the mutual promises and agreements herein given to one another, the Parties forming this Joint Venture agree as follows:

1. Formation, Purpose and Scope:

The Parties hereto associate themselves as a Joint Venture for the sole and limited purpose of: (a) preparing and submitting one Proposal and Bid to the Owner for award of the Project Contract and for (b) executing, carrying out and performing the Contract to be entered into with the Owner if awarded to the Joint Venture. This Joint Venture is limited to the Proposal and Bid and Contract work for the Project. Each of the respective Parties to this Agreement may otherwise carry on its separate business for its sole benefit.

2. Name and Location:

The name of this Joint Venture shall be Paschen Milhouse Joint Venture (hereinafter the "Joint Venture"). The initial principal place of business of the Joint Venture shall be 5515 N. East River Road, Chicago, Illinois 60656 subject to relocation at the sole discretion of the Managing Party (as designated herein).

3. Relationship of the Parties:

3.1 Nothing contained in this Agreement shall be construed to create a partnership between the Parties or give rise to any agency relationship other than as specifically set forth in this Agreement for performance of the Contract. The Parties hereto shall be joint venturers only with respect to preparation and submission of the Proposal and Bid and the performance of the Contract, and nothing contained in this Agreement shall render any Party liable for any debts or obligations unrelated to the Joint Venture.

3.2 This Joint Venture Agreement shall continue in effect until terminated pursuant to Section 23 of this Agreement.

3.3 Nothing contained in this Agreement shall create or be interpreted or construed so as to create any permanent relationship between the Parties hereto or limit their respective rights to carry on their individual businesses for their own respective benefit, including other work for the Owner which does not relate to the Project.

4. Interest of the Parties/Division of Responsibility of the Work:

4.1 Except as may otherwise be provided herein, each Party shall be entitled to those interest and shares in and to the Joint Venture and its assets and property, and any revenues, profits, losses, liabilities and tax benefits which may be derived from the performance of the Contract, and shall be responsible as among the Parties for those obligations and liabilities in connection with the Contract, and with respect to any and all obligations and liabilities of the Joint Venture in connection therewith shall be in the following percentages:

FHP	80%
MCI	20%

FHP shall be the "Managing Party" as the term is used herein.

4.2 If the Contract is awarded by the Owner, as between themselves, FHP shall undertake and be fully responsible for the work and shall undertake and be fully responsible for the work to be determined by and between the Parties at the finalization of negotiations of the Contract with the Owner and pursuant to the to be prepared Schedule B, made a part hereof by reference. As provided herein, the respective Party shall furnish the staff and labor required to perform their portion of the Contract work as determined by the Management Committee and Schedule B. Such labor shall be in accordance with the terms of any applicable collective bargaining agreement(s).

4.3 Each Party shall be reimbursed for all Joint Venture authorized expenses incurred in providing said labor as outlined in the attached Schedule B, as approved by the Managing Party and the Management Committee. The reimbursement as outlined in the attached Schedule B, shall include salaries, insurance, employee benefits, worker's compensation insurance, and other related employment taxes levied by Federal, State or local authorities. There shall be no mark-up as to any costs incurred by either Party and charged to the Joint Venture as the profits will be split as provided herein, including, without limitation, Paragraph 4.1.

5. Best Efforts:

Each Party hereto shall use its best efforts to carry out the purposes of this Agreement to cooperate with the other Party fully and to attend all meetings of the Joint Venture and management Committee to the end that the business affairs of the Joint Venture shall be conducted in an orderly and businesslike manner. In no event shall the existence of any dispute excuse any Party from the full and faithful performance of this Agreement.

6. Pre-Proposal/Bid, Pre-Award and Initial Award Considerations:

6.1 FHP shall coordinate the preparation of the Proposal and Bid with appropriate input from MCI. The Parties hereby agree to submit a Proposal and Bid to the Owner's specifications in an amount and on terms mutually agreeable to the Parties prior to its submission. Approval of the Contract price and terms and conditions shall be by both parties and will be evidenced by execution of the contract on behalf of each Party hereto. Should the Parties fail to agree as to the terms and conditions of the Proposal or bid, the Joint Venture and this Agreement shall terminate, subject to the rights and obligations to the Parties which may have accrued prior to such termination.

6.2 If at any time prior to the actual submission of the Proposal or bid to the Owner any Party may withdraw and be under no further obligation hereunder. Upon the withdrawal by one Party the other Party may submit a Project Bid alone, or in conjunction with another third party, without any obligation to the withdrawing Party. In this event, the remaining Party must provide its own Payment and Performance Bond. In addition, if the Proposal and Bid of the Parties as submitted to the Owner is unsuccessful, any Party hereto may perform work for this Project only with the prior written consent of the other Party.

6.3 Any negotiations between the Parties and the Owner or between the Parties and the sureties, if any, subsequent to the submission of the Proposal and Bid, but prior to any Contract award, shall be conducted by the Parties jointly.

6.4 All pre-Proposal and Bid costs shall be the sole cost and expense of the Party incurring same and shall not be considered a cost of the work pursuant to the Contract or an obligation of the Joint Venture.

6.5 The Joint Venture and this Agreement shall be null and void if the Joint Venture is not awarded the Project Contract by the Owner subject only to any costs and expenses jointly incurred by the Parties hereto.

6.6 If awarded the Contract, the Parties shall jointly and severally execute the Contract and all bonds which may be required by the Contract and each shall cause the execution and delivery of corporate indemnity agreements as required by any surety or as required by the managing Party from time to time. All bonds and insurance which may be required by the Bid, Contract or this Agreement shall be provided as contained therein and herein.

7. Indemnification:

7.1 Except as otherwise expressly contained herein, each party agrees to indemnify, defend and hold harmless the Joint Venture and the other Party from and against all claims, damages, losses and expenses, including but not limited to attorney's fees and costs, arising from or attributable to performance of work by said party on the Project to the extent such are caused in whole or in part by any negligent act or omission of said party, anyone directly or indirectly employed by said Party or anyone for whose acts said Party may be liable, regardless of whether such claims, damages, losses and expenses are caused in small part by the party indemnified hereunder.

7.2 Notwithstanding any of the foregoing, no Party shall be entitled to indemnification from the other Party for the Wrongful Actions, negligence or intentional misconduct of said party. Wrongful Actions shall mean actions that constitute fraud, bad faith, willful violation of this Agreement or willful violation of law.

8. Insurance:

8.1 The Management Committee shall determine the amount, type and limits of insurance coverage needed to protect the Joint Venture and the Parties hereto against any risk of loss that will be assumed or required under the Contract and this Agreement. The responsibility for obtaining, and paying costs for all required and necessary Contract insurance shall be borne by the Joint Venture, or each party hereto, as provided and listed on the attached Schedule A.

8.2 As applicable, the parties hereto shall name as an "additional insured" the Joint Venture, the Parties hereto, the owner and others as required by the Contract on all insurance required as provided in Schedule A.

8.3 All insurers contemplated herein and on the attached Schedule A shall be required to waive all rights of subrogation against any or all of the Parties hereto including the Joint Venture, or their officers, employees, representatives, agents, parents, subsidiaries, affiliates or surety company or companies.

8.4 Prior to commencement of the Contract, each Party shall provide the other Party copies of its policies or certificates of insurance, or other required evidence, setting forth the insurance policies obtained and the extent of coverage of each policy as required on Schedule A.

9. Contract Bond(s):

9.1 If the Managing Party obtains the Contract Bonds, specifically, but not limited to performance bonds, payment bonds, street use bonds, right of way bonds and other such bonds as may be required of the Joint Venture by the Owner. The Managing Party will charge the Joint Venture 1.5% of the gross revenues for the expense of the Contract Bonds.

9.2 Each Party hereto shall execute the Contract Bonds which may be procured from a surety, or sureties who shall become co-sureties on the on the said bonds. Each Party will execute indemnity agreements and furnish documents reasonable required by the surety(s).

9.3 Any additional bond charges or expenses accruing as a result of change orders will be a cost of the work to be paid by the Joint Venture and billed to the Owner.

9.4 At the Managing Party's discretion and direction, any non- Joint Venture Party performing work for the Joint Venture as a subcontractor shall be required to furnish a Performance Bond and a Labor and Material Bond each in the amount of 100% of the subcontract amount. These bonds must be executed by a corporate surety with an A.M. best rating of "A-," or better, licensed in the appropriate jurisdiction where the work is to be performed, and listed in the current U.S. Department of Treasury Circular 570 with an underwriting limitation of \$5 million or consistent with the face amount of the bonds, whichever is greater. The premium for providing these bonds must be included in the subcontract amount.

9.5 All Bonds shall be provided on an AIA bond form or another form acceptable to the Joint Venture. All bond forms shall be accompanied by an appropriate power of attorney from the surety.

9.6 All bonds shall be furnished upon the earlier of the date of execution of the Agreement, the Contract with the Owner or commencement of any work by the Joint Venture on the Projects as the case may be or as required by the Contract.

9.7 The Joint Venture Parties acknowledge that the cost of all bond premiums has been included in the Contract price. Additional premiums for any increase in the contract price or any extension of the Contractor's work shall be included in the price of any change order for the Project or as provided in Paragraph 9.4 herein.

9.8 Notice of change, alteration or modification to the terms and conditions of this Agreement or the Contract with the Owner, shall not require notice to or consent from Surety(s), such notice and consent being hereby waived by the Surety(s) to whom a copy of this Agreement has been furnished by the Managing Party.

9.9 Any change in the Contract amount shall automatically result in a corresponding change in the penal amount of the Bonds without the consent of the Surety(s) obtained in advance.

9.10 In addition, each party hereto, at the request of the Management Committee, shall execute all applications and indemnity agreements required by the sureties, on any bond required in connection with the Contract with the Owner as previously agreed to by the Parties. Each party shall indemnify the other against any loss in connection with the Indemnity Agreements required by the sureties on any bond in excess of each party's proportionate share of such loss as contained in Paragraph 4.1.

10. Bank Account; Working Capital:

10.1 A bank account shall be opened at MB Financial Bank in the name of the Joint Venture and in which all capital, including capital contributions, all funds advanced for the performance of the Contract as well as all funds received by the Joint Venture from any source (including, but not limited to, payments from the Owner or otherwise received on account of the Contract) shall be deposited. This account shall be subject to the control of the management Committee. Signature requirements, deposits and withdrawals shall be made with respect to the bank account in such manner and in such form as the Management Committee determines from time to time. All invoices received by the Joint Venture and approved for payment by the Project Manager and/or the Management Committee as provided herein shall be paid on checks drawn on said bank account and signed by person(s) so authorized by the management committee to draw upon the funds of the Joint Venture.

10.2 The Management committee may cause funds of the Joint Venture to be invested as deemed appropriate by the Management Committee.

10.3 As and for the initial capital to be contributed by each party hereto the Parties hereto shall advance and pay into the Joint Venture bank account the following sums:

FHP	\$8,000
MCI	\$ 2,000

within seven (7) days after execution of the contract with the Owner.

10.4 Any additional working capital requirement(s) in addition to the initial working capital deposit listed in Paragraph 10.3 shall be determined by the management committee appointed in accordance with Paragraph 11 herein and, if required, the additional working capital shall be deposited by the party or Parties in their respective required shares within seven (7) days after notice thereof.

10.5 Failure of any Party to make its appropriate contribution of capital or additional capital shall constitute a default by such party. In the event either Party is unable to, or fails to or neglects to advance or contribute its proportionate share of the working capital required for the purpose of the Joint Venture or in performance of the contract, then the other Party may, but shall not be required to, advance the deficiency or any part thereof. Should the other Party advance such sum, the Party shall be entitled to a proportionately larger share of the profits of the Joint Venture so that any profits shall be divided between the Parties in the proportion in which they advance working capital even though, at a later date, the Party in default shall offer to make good or shall make good its default in advancing working capital. The Party failing to advance its share of working capital however, shall not be relieved of its obligations to share any loss arising from the Joint Venture.

10.6 All working capital advanced pursuant to paragraph 10.5 by the Non-Defaulting Party shall bear interest at a rate of 6 % per annum or 2% greater than the prime rate listed at MB Financial Bank whichever is higher, and shall be repaid to the Party advancing the same prior to the distribution of any profits. No part of any working capital advanced to the Joint Venture shall be returned to either Party prior to the completion of the Project except as may otherwise be mutually agreed upon by the Management Committee.

10.7 Except as otherwise provided herein, and at the discretion and direction of the Management Committee, all monies contributed by the Parties to this Joint Venture and all monies received as payments under the Contract or otherwise received shall be treated and regarded as and are declared to be, trust funds for the performance of the Contract and for no other purpose until the Contract shall have been fully completed and accepted by the owner and until all obligations of the Parties hereto shall have been paid, otherwise discharged, or provided for by adequate reserves. The reserves shall likewise be treated as trust funds until they have served the purposes for which they were created.

11. Management Committee:

11.1 All affairs of the Joint Venture, including without limitation the policies and procedures for the execution of Contract work, the review and supervision of the operation of the Joint Venture (including Project Schedule and Budget), the amount, manner and timing of the payments, disbursement of funds, need for capital, reserves, and contributions, securing of bonds and insurance, the prosecution, defense or settlement of third party claims or lawsuits by or against the Joint Venture arising out of performance of the Contract, or changes to the Joint Venture Agreement, as well as the determination of all policies connected with the purposes thereof, including but not limited to those involving the scope and performance of the Contract, and of a contractual nature with the Owner, or with third parties (including subcontractors), shall be under the supervision of the Management Committee (the "Management Committee").

11.2 The Management Committee shall consist of two members; one member (and two alternates) duly authorized, selected and appointed by FHP and one member (and an alternate) duly authorized, selected and appointed by the MCI. The representatives appointed by each

party shall be officers or senior level employees of their respective companies. Except as may be provided to the contrary, the Joint Venture shall be authorized to execute and deliver all legal and financial documents necessary to fulfill the purposes of this Joint Venture.

11.3 Upon the execution of this Agreement, the Management Committee shall consist of the following persons:

FHP: James V. Blair - Committee Member
Joseph V. Scarpelli - Alt. Committee Member
James B. Habschmidt - Alt. Committee Member

MCI: Wilbur C. Milhouse III, P.E. - Committee Member
Joseph Zurad - Alt. Committee Member

11.4 Each Party shall have one (1) vote with respect to all matters which come before the Management Committee and a quorum shall be comprised of two members – one from each Party. The salaries of each member of the Management Committee shall be borne by the respective Party appointing such member. The FHP representative shall be the Chairman of the Management Committee. All decisions, determinations, approvals, consents or other actions shall be determined by vote of the Management Committee but, in the event of a disagreement, by the Party holding the majority interest in the Joint Venture unless otherwise expressly provided in this Agreement.

11.5 Either Party may at any time and from time to time, change its representative(s) by filing with the other a written notice of a duly executed appointment of a new representative but until the appointment and filing of the notice, the actions of the representative shall be conclusively binding on the respective Party.

11.6 The Management Committee shall meet from time to time as required or deemed appropriate by the Chairman of the Management Committee, to act on necessary matters pertaining to the Project. All meetings shall be held at the offices of the Joint Venture or at the Project jobsite except as otherwise provided herein.

11.7 A meeting may also be conducted by telephone without prior notice in an emergency and/or used when such procedure would be expedient for matters needing prompt attention as determined by a Management Committee member.

12. Managing Party, Books and Records:

12.1 The general supervision and management of the work called for by the Contract and any and all matters relating thereto shall be under the charge and control of the Managing Party, subject to the controlling authority of the Management Committee as provided therein.

12.2 The Managing Party of this Joint Venture is hereby designated to be F. H. Paschen, S. N. Nielsen & Associates LLC(FHP). No management fee shall be paid to the Managing Party except for the following: an administration fee of \$2,500 shall be charged to the Joint Venture and paid by the Joint Venture to FHP for home office accounting and administrative tasks, home office computer costs for payroll, job reports and the like (hereinafter referred to as the "Administration Fee") and/or as otherwise provided in Paragraph 12.4. This Administration Fee shall be paid on a monthly basis. However, the Administration Fee due hereunder shall be made contingent upon payments being received from the Owner.

12.3 The Managing Party shall have the power to: (a) do or provide for the doing of all those acts or things necessary, or by it deemed necessary or desirable, in and about the performance of the Contract, and in and about the proper conduct of the Joint Venture created hereby; (b) to request the Parties to advance working capital as provided herein; (c) to request any party hereunder to provide the Party's audited Balance Sheet and Income Statement at such intervals as may be necessary, however any such information provided by the Party shall be maintained in strict confidence by the managing Party and the Joint Venture and shall in no event be disclosed to any other third party; (d) to receive all funds accruing to the Joint Venture, to deposit Joint Venture funds into the bank account(s) and to cause the same to be withdrawn with such signatories as the Parties hereto may agree upon; (e) after consultation with and approval by the management Committee, to negotiate and bind the Parties to such supplemental agreements, stipulations or adjustments with the owner concerning the Joint Venture and the Contract; (f) after consultation with and approval by the Management Committee, to negotiate and bind the Joint Venture in relation to any lessening, enlargement, alteration or modification of the nature, scope and extent of the work to be performed under the Contract, and to make or approve such adjustment of the Contract as it may believe desirable; (g) after consultation with and approval by the management committee, to execute and deliver purchase orders, rental agreements, subcontracts, and other agreements; and (h) to execute all Project documents except as otherwise provided herein.

12.4 Separate books of account for the Joint Venture and the performance of the contract, and all matters pertaining thereto, shall be kept and maintained by the Managing Party, FHP, at the main office of the Joint Venture. FHP shall also provide all financial services prescribed by the Management committee along with information technology and human resources support. An additional fee may be charged for the use of these services as determined by the Management Committee. The books of account and the prescribed methods of accounting for all matters relating to the affairs of the Joint Venture and the performance of the Contract shall be generally accepted accounting principles, and the percent complete method applicable under the circumstances and applied on a consistent basis. The Managing Party may at its discretion apply any risk reserves as a part of the contract's profit/loss projections. Each Party shall have the right at all reasonable times during usual business hours to inspect at the Joint Venture Office the books of account, contracts, vouchers and other data of the Joint Venture.

12.5 In addition, annual certified audits shall be prepared by a public accounting firm selected by the Managing Party, which may be the firm customarily used by FHP. The audits will be distributed to the Parties hereto within one hundred twenty (120) days after December 31. A final certified audit shall be prepared and distributed to both Parties at the completion of the

contract. Such accounting firm shall also prepare the income tax returns for the Joint Venture. The Managing Party shall be designated the Tax Matters Partner "TMP" pursuant to IRS Code IRC 6221. Any and all audit related expenses will be allocated to the Joint Venture by the Managing Party.

12.6 The Managing Party shall maintain adequate and complete records and books of account maintained on a calendar-year basis. The Managing Party shall prepare and submit monthly statements, cost reports, summaries and other financial data, in forms and at times specified by the management Committee. Such shall include, but not be limited to, the preparation and submission of monthly consolidated cost reports which shall contain the total Project costs incurred to date, with an itemized breakdown of such costs in comparison with amounts budgeted for same and specifying the percentage-of-completion for same.

12.7 All financial, technical and other records of the Joint Venture shall be kept and preserved as required by law and the Contract with the Owner, and for such longer periods and at such place or places as the Management Committee may designate. To the extent that the records of the Joint Venture must be kept subsequent to the completion of the Contract pursuant to the provisions of the law or as required by the owner's Contract, they shall be kept at such place or places as the Management Committee may from time to time determine and the cost shall be borne equally by the Parties.

13. Project Manager and Key Project Personnel:

13.1 Project Manager: Subject to Paragraphs 11 and 12, the general supervision and management for the work required by the Contract shall be under the general charge and control of the Project Manager. The Project Manager shall be appointed and may be removed by the Managing Party with the consent of the Management Committee and shall be given such powers, duties and responsibilities as may be required to enable him to properly perform the duties entrusted to him to the end that work may be performed properly and expeditiously. All determinations and actions by the Project Manager in any way connected with the prosecution and completion of the Contract shall be binding upon the Joint Venture and each Party thereto.

13.2 Key Project Personnel: Each Party shall make available to the Joint Venture key project personnel who shall not be withdrawn from the performance of the Contract without reasonable prior notice to the Project Manager and the Management Committee. Each Party will use its best efforts to replace personnel so withdrawn with personnel having like or greater experience and qualifications as the personnel so withdrawn.

14. Construction Costs; Subcontractors, Payments:

14.1 Subject to the provisions of the Contract as fully executed by the Joint Venture with the Owner, the Parties anticipate that the costs and expenses of the Joint Venture, including the costs of construction, shall consist of the costs to the Joint Venture of all salaries, craft wages, fringe benefits, subcontracts, labor, material, plant and equipment purchased or rented, bonds, insurance, taxes on labor and material, imports, charges, legal fees, audit costs, liabilities not secured by insurance and all other expenses and obligations incurred or suffered in and about the

performance of the Project of a nature which generally accepted accounting practices would be properly charged as a cost of the performance of the Contract.

14.2 Except as otherwise provided herein, including Paragraphs 12.2 and 12.4, costs and expenses of each Party chargeable to the Joint Venture shall be subject to prior determination, review and approval by the Management Committee.

14.3 Except as otherwise provided in this Agreement or as otherwise approved by the Parties, including without limitation paragraphs 12.2 and 12.4, such costs shall not include any charges against the Joint Venture for any overhead expenses or charges of the main or branch offices of the respective Parties or for the time which may be expended in connection with the work by any of the Parties or their officers or employees including charges for time travel or other expenses in connection with routine visits by any party's officers or home office or division-level executives.

14.4 The Management Committee may determine that the Joint Venture may be best served by the use of employees of a Party assigned to the Project on a temporary basis. These employees may, at the discretion of the Management Committee, remain employees of the Party, as the case may be, and the Joint Venture shall be charged at cost (or as otherwise determined to be reasonable by the Management Committee) for these employees' services, including workmen's compensation costs and/or, at the discretion of the Management Committee, the Joint Venture may employ Project labor personnel on the Joint Venture's payroll. Both Parties shall maintain separate books of account for all such employees which show actual expenses of the employees while performing services for the Joint Venture, the cost rate used to compensate the Party for the services provided by such employees and any other expenses or costs relating to the use of these employees or resources of the parties necessary to the employee's services. Such books and records shall be available for audit at any reasonable time and shall be retained for a period consistent with Paragraph 12.7 contained herein.

14.5 In addition to the foregoing, FHP may, at its sole discretion, and not as mandated herein, provide assistance to MCI to fulfill its Joint Venture and Project goals, including but not limited to management and technical assistance, project accounting and project and field management assistance.

14.6 It is further agreed between the Parties hereto that certain items of the Contract work or materials may be subcontracted in compliance with the rules and regulations of the owner and the terms of this Agreement. Any request to subcontract such work shall be submitted in the name of the Joint Venture for approval of the Owner, if necessary.

14.7 Nothing herein shall be construed as prohibiting any of the Parties hereto from acting as subcontractors to the Joint Venture under a subcontract agreement or otherwise.

14.8 Payments received by the Joint Venture for work performed pursuant to the Contract shall be utilized as determined by the Management committee and as provided herein.

14.9 Payment to any subcontractor, including any of the Parties hereto, shall be made only for work actually completed at the job site and/or for materials received and accepted at the job site and upon receipt of the funds payable by the owner. In no event shall any subcontract be made, or any payment be made to a Party hereto, which permits or involves payment in excess of monies actually received from the owner for the work so performed, or materials so supplied, unless payment is required by law or unless the Parties agree otherwise in writing.

14.10 The compensation of any Party hereto shall be as outlined in this Section 14 plus pursuant to their respective shares of Joint Venture assets and profits as determined by the result of reducing total compensation received from the Owner under the Contract by total Joint Venture expenses. Such profits shall be distributed in accordance with Paragraph 15 contained herein (Division and Distribution of Profits or Losses).

14.11 Equipment rented from either of the parties shall be listed and charged as a construction cost at the rates contained in the attached Schedule C and/or at market rates as determined by the Management Committee.

15. Division and Distribution of Profits and Losses:

15.1 Upon completion of the Project, or earlier at the Management committee's discretion, Joint Venture equipment and other property shall be disposed of and the values obtained shall be included in the funds to be used to pay obligations and distributed in accordance with provisions of this Paragraph 15.3.

15.2 If both Parties hereto determine at any time that funds on hand are more than reasonably required for the needs of the Joint Venture, distributions of such sums as are mutually agreeable may be made.

15.3 As soon as reasonably practical after the completion of the Contract, the capital contributions of each of the Parties and the assets and profits of the Joint Venture, which have theretofore been retained and not distributed by the Joint Venture, shall be used to pay all outstanding obligations and other indebtedness of the Joint Venture. Sufficient reserves, as determined by the management committee, shall be established for known or reasonably anticipated contingencies not theretofore discharged. Thereafter, any funds remaining in the bank account or accounts of the Joint Venture, or which shall be received by or for the account of the Joint Venture or which shall become available in any manner for distribution, shall be distributed to each of the Parties hereto in proportion to their respective share in the Joint Venture as determined in accordance with Paragraphs 4, 10.3, 14, and this Section 15 of this Agreement. When funds set aside as reserves are no longer required for such purposes such funds shall be similarly distributed. If necessary, the Management Committee may establish a fund to be used for Project punch list and/or warranties, either regular or extended. Any funds not used at the end of said warranty period shall be distributed to the Parties hereto in the amount of the prorated share.

15.4. In the event that at the conclusion of the Joint Venture and/or the Contract there is only a loss to be shared, the loss shall be shared by the Parties in the same proportion as provided

in Paragraphs 4.1 and 15.5 subject, however, to the provisions of Paragraph 16 (Limitation of Liability) and Paragraph 18 (Insolvency).

15.5 If one party has made greater contributions of capital which are to be treated as advances under Paragraph 9 and/or Paragraph 10, then after each party's share of the assets and profits or losses has been determined, such distributions shall be adjusted by:

- a) Decreasing the Defaulting Party's share and increasing the Non-Defaulting Party's share of the Joint Venture's assets and profits by the amount of such contribution plus interest prior to such distribution of assets and profits; or
- b) Increasing the Defaulting Party's share and decreasing the Non-Defaulting party's share of the Joint Venture's losses by the amount of such contributions plus interest prior to final distribution of such losses.

Should the adjustments occasioned by 15.5(a) or 15.5(b) exceed the share of the Defaulting Party, then the Defaulting Party shall, on written demand of the other Party, pay such insufficient amount to the Non-Defaulting Party.

15.6 In the event that, after completion of the Project and distribution of assets and profits or losses as provided in this Section 15, any claim shall be asserted or legal action commenced by the owner or any third party against the Joint Venture or one or more of the Parties hereto in connection with any matter arising under the Contract or associated with the Project, including but not limited to latent defects or personal injury claims, the provisions of this Agreement, including but not limited to Subsection 15.3 and 15.4, shall continue to apply with respect to such claim or action. The foregoing provisions of this Subsection 15.6 shall survive expiration and termination of this Agreement. Each party shall contribute, on call of the Managing Party, their proportionate share of ongoing expenses occurring after distribution. Default shall be treated as under the provisions contained herein relating to a defaulting Party.

15.7 Upon receipt of any Incentive Payment for Interim Completion resulting from the performance of the contract shall be distributed and divided between the Parties in accordance with its proportionate interest in the Joint Venture as provided in Paragraph 4.1.

15.8 Any Liquidated Damages charged for delay or otherwise resulting from the performance of the Contract, will be borne solely by the Party responsible for the liability assessed. In the event of mutual responsibility, the Liquidated Damages will be the responsibility of each Joint Venture Party in their prorated share as contained in Paragraph 4.1.

15.9 Any other Contract specific payment or penalty shall be distributed and divided between the Parties hereto as established in Paragraph 4.1.

16. Limitation of Liability:

16.1 In connection with any matter arising under the Contract, in no event shall any party be liable to the other Party or the Joint Venture for the acts or omissions of any of its officers, employees or agents, nor shall any duly authorized representative or alternate on the

Management Committee or the Project Manager be liable to any Party or the Joint Venture, except for direct (but not consequential) damages resulting from actual fraudulent, illegal or dishonest conduct and gross negligence.

16.2 In no event shall any party be liable to the other Party of the Joint Venture, in contract, tort or otherwise (including negligence, warranty and strict liability) for any special, indirect or consequential damages including, without limitation, loss of revenues or profits, cost of capital, loss of goodwill or similar damages, except as expressly provided herein.

16.3 If the Owner or any third party shall assert any claim or commence any legal action against one or more of the Parties or against the Joint Venture in connection with any matter arising under the Contract or associated with the Project, then each Party shall share all costs thereof (not covered by insurance purchased by the Joint Venture, any party hereto or the Owner) including but not limited to all damages, judgments, fees and expenses in proportion to its respective interest and share in the joint Venture as set forth in Paragraph 4.1, as adjusted by Paragraphs 10 and 15.

16.4 To the extent not covered by insurance for the Project obtained by the Joint Venture, its subcontractors or the Owner, each Party hereby agrees to hold harmless, indemnify, protect and defend the other Party against any and all liability and expenses, including reasonable attorneys' fees, in excess of each party's share of such liability and expense as provided in paragraph 4.1 as adjusted by Paragraphs 10 and 15 hereof and including all claims, suits, actions, damages, judgments or decrees by reason of any acts or forbearance to act on the part of the Project Manager or any employee of either Party or of reason or any person or persons or property being damaged or injured by the Joint Venture or any of its employees, agents, representatives, subcontractors or vendors, whether said liability or expense derives from negligence, gross negligence, contract or otherwise, so that such liability or expense is allocated between the Parties in the proportion provided in Paragraph 4.1 as adjusted by paragraphs 10 and 15.

16.5 If possible, any agreements to indemnify a surety company or surety companies shall be limited to and allocated in accordance with the percentage of total liability assumed by the Parties hereto.

17. Subcontracting and Assignment:

17.1 The Parties hereto contemplate that, unless otherwise determined by the Management Committee, all subcontracts and other agreements with respect to the services to be performed under the Contract shall be executed in the name of the Joint Venture.

17.2 Neither this Agreement nor any interest nor obligation of any Party, including any interest in funds belonging to or which may accrue to the Joint Venture, or any interest in any bank account of the Joint Venture, or in any property of any kind employed or used in connection with the Contract, may be assigned, pledged, transferred, borrowed, subcontracted or hypothecated by any Party without the prior written consent of the other Party.

17.3 Each party has entered into this Agreement in reliance upon the unique knowledge, experience and expertise of the other Party in the planning and implementation of construction of the Project, and each party hereby acknowledges that this Agreement creates a fiduciary relationship between the Parties hereto. Accordingly, neither of the Parties shall transfer, assign or otherwise convey its interest in the Joint Venture without the written consent of the other Party and the Parties agree that neither of them shall be required to accept performance under this Agreement from any person other than the other Party, including without limitation, any trustee of any Party appointed under the Bankruptcy Code, 11 U.S.C.S. 101 et seq., any Party as debtor-in-possession under the Bankruptcy Code, and any assignee of any such trustee or debtor-in-possession.

17.4 Each Party hereby grants to the other Party a lien upon its Interest in the Joint Venture as security for the performance of the obligations imposed by this Agreement and all costs, together with interest, chargeable to it. Each party shall have the right to bring any action or proceeding to enforce the performance of such obligations and the collection of such indebtedness on behalf of the Joint Venture with or without foreclosure of such liens.

18. Insolvency:

18.1 The inability of a party to meet its obligations under the Contract or this Agreement, the filing of a voluntary petition of bankruptcy, adjudication as bankrupt or insolvent, appointing of a receiver for all or substantially all of the assets, assignments for benefit of creditors, or any other proceeding for relief under the bankruptcy laws of the United States shall be deemed a default by the Party committing such act.

18.2 If the default is not cured or other arrangements made satisfactory to the Non-Defaulting Party within ten (10) business days of written notice of default given to the Defaulting Party by the Non-Defaulting Party, the interest of the Defaulting Party (the "Defaulting Party") in this Joint Venture shall terminate and be limited to the rights in and under this Joint Venture specifically set forth in this Agreement which accrued up to such termination. However, the business of this Joint Venture may continue to be conducted under the same name by the Non-Defaulting Party who shall carry on and perform the remainder of the work to be completed under the Contract (with a new Joint Venture Party if the Non-Defaulting Party so chooses). The Defaulting party shall have no interest in any profits resulting from the performance of the work under the Contract after the date of default. The Joint Venture and the Non-Defaulting Party shall have title to and the right to possession of all the remaining assets of the Joint Venture and shall also have the right to maintain possession of any equipment or property of the Defaulting Party until completion. To secure this right each Party hereby grants to the Joint Venture a security interest in all property of such party used in the performance of the work contemplated by the Contract and this Agreement.

18.3 The Defaulting Party shall remain liable for its share of any losses sustained by the Joint Venture with respect to the performance of the Contract or the Joint Venture as a whole, as determined pursuant to the terms and conditions of this Agreement. However the Defaulting Party shall be entitled to receive that proportion of any profits of the Joint Venture, to which it

would otherwise be entitled as the actual monetary value of the work completed at the time of default bears to the total actual monetary value of all work as determined at completion of the Contract; 50% shall then be deducted from the said amount payable to the Defaulting Party, such 50% to be withheld as management fee for the Non-Defaulting Party. The Defaulting party shall not in any event be entitled to payment of any profits or to withdraw any capital contributions until the work under the Contract is completed and finally accepted by the owner, and any such payments or withdrawals shall be subject to the reserve requirements referred to herein and in Paragraph 15.

18.4 If such default or insolvency, bankruptcy or other similar proceedings should cause damage or additional costs to the Non-Defaulting party, then such damages or additional costs shall be charged against the interest of the Defaulting Party and against any amounts to which the Defaulting Party would otherwise be entitled pursuant to the provisions of this Agreement.

19. Limits of Joint Venture; Credit of Other Party:

19.1 The relationship between the parties shall be limited to the performance of the Contract in accordance with the terms of this Agreement. This Agreement shall be construed and deemed to be a Joint Venture for the sole purposes of carrying out the contract. Nothing herein shall be construed to permit either Party to bid for or to undertake any other contracts for the other Party, or in any manner to limit either of the Parties in the conduct of their respective businesses or activities in the making of other contracts or the performance of other work, or impose any liability except that of performance of the terms, provisions and conditions of this Agreement.

19.2 Without the prior written consent of the other Party hereto, neither Party may unilaterally:

- a) Borrow money in the name of the Joint Venture;
- b) Except as expressly provided herein, compromise or release any claim belonging to or debt due the Joint Venture (except upon full payment), or litigate or mediate, or consent to the mediation of any claim, dispute or controversy against or involving the Joint Venture or the Contract or the Project;
- c) Except as expressly provided herein, execute or deliver on behalf of the Joint Venture any indemnity or surety bond or guarantee, or in any manner cause the Joint Venture to become a surety, guarantor or accommodation party on any obligation whatsoever;
- d) Except as expressly provided herein, agree to any substantial modification of the Contract the Contract Work;
- e) Admit any additional person, firm or corporation to the Joint Venture;
- f) Except as expressly provided herein, commit the other Party or the Joint Venture to any liability; and
- g) None of the terms, covenants, obligations or rights contained in this Agreement is or shall be deemed to be for the benefit of any person or entity other than the named parties hereto and the Joint Venture, and no such third person shall under any circumstances have any right to compel any actions by the Joint Venture, its Managing Party, its Management Committee or its Parties.

20. Claims Against a Party:

20.1 The Parties agree to meet and negotiate in good faith toward the voluntary resolution of any disputes between them arising during construction and toward the adjustment and settlement of all accounts and incurred obligations to their mutual satisfaction upon completion of performance of the contract.

20.2 The Parties also agree that if the Contract contains a liquidated damages provision and that provision is invoked due to a delay or other problem caused by one Party hereto, to the extent the Party caused such delay or problem, such Party shall be responsible for any liquidated damages so assessed as contained in Paragraph 15.7.

21. Dispute Resolution:

21.1 Other than as otherwise provided herein, the following dispute resolution process shall be the sole, exclusive process for the resolution of disputes between the Parties hereto with respect to this Joint Venture, the interpretation of this Joint Venture Agreement, the Contract or the Project.

21.2 If any dispute or disagreement shall arise among the Parties relating to this Agreement, or the breach thereof, or the Work to be performed, which cannot be resolved by the Management Committee, the issues shall then be presented for resolution by any party to the current President or Chief Executive Officer of each Party. In the event these Party officers are unable to resolve such disagreement or dispute after meeting on at least two separate occasions within sixty (60) days following its presentation to them, or specifically agree in writing to a longer period of time for their deliberation, any Party may then request the management Committee to send the dispute or disagreement to mediation.

21.3 If the Management Committee has not referred the dispute or disagreement to mediation within ninety (90) days after such request for same has been made, and the matter is otherwise not resolved, then and only then may any Party initiate legal action. In no event shall the request for mediation be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

21.4 No mediation arising out of or relating to the Agreement shall include, by consolidation, joined or in any other manner a person not a party to this Agreement without the written consent of the Parties and any other person sought to be joined. Any consent to mediation involving an additional person or persons shall not constitute consent to mediation of any dispute not described therein.

21.5 The award rendered by the Mediator is not binding; however, the attorneys fees and costs of the mediation shall be borne in full for both Parties by the non-prevailing party as determined by the decision of the Mediator.

22. Events of Default; Remedies; Continuing Obligations:

21.1 In addition to other terms contained herein, each of the following shall be deemed to be an event of default, "Event of Default" or "Event", under the terms of this Agreement:

- a) The failure to provide any loan advance or working capital required by the Joint Venture pursuant to and as determined in accordance with this Agreement;
- b) The failure or inability to provide any certificate of insurance or other document as required by Owner and agreed upon by the Parties (including the failure to continue, renew, extend or replace any such item) in effect throughout the duration of the contract, or until otherwise excused, released or extinguished by Owner, and as applicable, the Non-Defaulting party;
- c) The failure to comply with work schedules/progress schedules as established by Owner or, as applicable, by the Joint Venture;
- d) The failure to commence or diligently prosecute work, to provide adequate personnel (including supervision), equipment, materials and supplies as required by the Joint Venture, the Contract or in compliance with same;
- e) The failure to attend Project conferences or meeting with the Owner (as required by it) and/or the management committee or Party, their respective subcontractors, suppliers, consultants, advisors or other associates as the case may be;
- f) The receipt by the Joint Venture of any notice or demand from Owner wherein Owner advises that work items of the Defaulting Party (or the Party who is identified as having the responsibility for such work items) are incomplete, deficient, unacceptable, rejected, damaged or unapproved and have not been repaired, cured, replaced or otherwise remedied to an acceptable level within any applicable cure period required by owner, or as applicable, a commercially reasonable period of time determined in accordance with the custom and practice of the construction industry;
- g) The Defaulting party's failure to comply with written or oral directives of Owner resident engineers, field supervisors or other personnel having supervisory authority over such activities with respect to the Project.
- h) The Defaulting Party's failure to pay any of its subcontractors, suppliers, material men, or other providers in accordance with the terms and provisions of any subcontract entered into between the Defaulting party (whether alone, under its "prime subcontract", or on behalf of the Joint Venture) within the terms and provisions of such subcontract, or other agreement applicable to the provision of such labor, material or other work;
- i) The filing of a claim for lien or bond claim (or the commencement of a judicial or other proceeding to enforce such claim) by any subcontractor, supplier, material men of the Defaulting Party identified herein, including without limitation any claim made pursuant to the Illinois Mechanic's Lien Act, and/or any claim or demand against any bond furnished by the Joint Venture or Party in connection with the Project;
- j) The admission by such Defaulting party that it is insolvent, unable to pay its obligations as they mature, unable to perform the work required of it in connection with the Project or otherwise admits and acknowledges that it is unable to cure any Event of Default previously identified herein within a time deemed to be commercially reasonable in the construction industry and, in particular, as applied to the performance required under the Contract for the Project;

- k) The commencement of a proceeding in the nature of bankruptcy or reorganization (or the assignment for the benefit of creditors), whether voluntary or involuntary, which is not discharged within ten (10) days after the commencement of such proceeding; or
- l) The breach of a material provision of this Agreement or of the Contract with the Owner.

22.2 Upon the occurrence of any of the preceding Events of Default and which Event or Events as applicable, are not cured within any period of time stated herein or with ten (10) business days after notice and demand for performance by Owner or any Non-Defaulting Party, then the remaining Party shall have the following rights and powers which may be exercised immediately by them to the exclusion of the Defaulting Party, subject only to written notice of such exercise being served upon the Defaulting Party:

- a) The rights to perform such acts, grant consents, make and implement decisions of every kind and nature with respect to the Project, the contract, all subcontracts of the Joint Venture;
- b) The right to control the receipt, and the disbursement of all funds due or received in connection with or relating to the Project, including funds that may be due to subcontractors, material men, suppliers or other providers of goods and services to the Defaulting Party in connection with the Project;
- c) To prosecute, defend, make, compromise, arbitrate, settle, adjust and otherwise resolve any claims, demands, suits, proceedings or other matters arising out of, or as a result of such Event by the Defaulting party, even though the Joint Venture interest of such Defaulting party may be charged with the financial or other consequence thereof; or
- d) To retain all funds due or which may become due to the Defaulting Party until the final accounting, winding up and distribution of any known funds of the Joint Venture in accordance with the terms of this Agreement, applicable statutory and decision and the law, notwithstanding that the Defaulting Party (or any person succeeding to its rights) might otherwise, but for such Event or Events, be able to request or require any payment due hereunder.

22.3 In addition to any other term contained herein, any Defaulting party hereunder shall indemnify and hold harmless the Non-Defaulting Party and/or the Joint Venture for any loss, claims or liabilities which the Non-Defaulting Party and or the Joint Venture may incur arising out of any breach of this Joint Venture Agreement or the Contract by the Defaulting Party. The Defaulting Party further agrees to pay all legal expenses and costs required of or by the Non-Defaulting Party and/or the Joint Venture to protect their interests or defend any action arising out of the Defaulting Party's breach including court costs and disbursements.

22.4 Notwithstanding the foregoing, the Defaulting party shall remain liable for its entire share of any losses, but shall be entitled to receive only the proportion of the profits, if any, to which it would otherwise be entitled as the dollar value of the work completed at the time of the happening of any of the above described Events bears to the dollar value of the complete Contract, such profits to be paid at the time and in the manner provided in this Agreement, if any. If such Event, bankruptcy, or other proceeding of default of the type above described herein cause damage or cost to the other Party, such damage or cost shall be charged against the interest

of the Defaulting Party. Further, any notice of default which is contested in good faith by the Party receiving such notice shall not result in such receiving Party being deemed to be in default until such dispute is resolved as otherwise provided herein.

22.5 The remedies provided herein shall be in addition to and shall not limit any remedies the Non-Defaulting Party may have pursuant to terms of this Agreement, or at law or in equity or otherwise.

23. Termination of Agreement:

23.1 If the Parties hereto do not submit the Proposal or the Bid, or if a Contract is not awarded to the Joint Venture, or if the Contract undertaken, completed and accepted with all obligations there under satisfied and all assets having been liquidated and/or distributed as provided in this Agreement, or at the option of all the Parties, this Joint Venture Agreement shall terminate.

23.2 The Agreement, and the Joint Venture hereby created, shall remain in effect only for such period of time as necessary to carry out the Joint Venture's work to be performed for the Project, to receive full and final payment of all amounts owed to the Joint Venture, to make appropriate provision for and to meet all actual and contingent liabilities of the Joint Venture and otherwise to carry out the terms and provision of this Agreement; provided, however, that if the Owner should (a) in the judgment of the Management committee, unduly delay the Contract award, or (b) terminate the Contract, or (c) award the Contract to another bidder; or (d) if any Party cannot obtain its share of the performance bond or other financial obligation required by the Owner, then in any of such events, this Agreement and the Joint Venture hereby created shall continue in effect only for such period of time as may be necessary for the Joint Venture to receive full and final payment of all amounts owed to the Joint Venture, to make appropriate provision for and to meet all actual and contingent liabilities of the Joint Venture and otherwise carry out terms and provisions of this Agreement. In the event that subsection (d) applies, the remaining party may proceed to such award of the Contract to itself without further obligation to the other Party and as provided herein.

24. Entire Agreement/Amendment:

This Agreement contains and constitutes the entire agreement between the Parties hereto and cancels and supersedes any and all previous understandings or agreements related to or referring to the Joint Venture, the Contract and/or the Project, whether written or oral. Any and all changes, amendments or modifications to this Agreement must be unanimously agreed to in writing by all the Parties hereto, FHP and MCI, by each Party's respective duly authorized officer.

25. Publicity:

No Party of the Joint Venture will release any public information or publicity related to the Project or the Joint Venture's services without the express consent and prior review of the Management Committee, and each Party shall exercise its best efforts to communicate and enforce such restriction with respect to any subcontractor or special consultant retained for any purpose hereunder. All public information or publicity relating to the Project during the life of the Project shall reflect the name of the Joint Venture.

26. Notices:

Any notice, demand or other communication required in connection with the business of the Joint Venture shall be in writing and shall be deemed to have been given if delivered personally or upon deposit in the United States mail, postage prepaid addressed to the person to receive such notice at the following address:

If to FHP: F. H. Paschen, S. N. Nielsen & Associates LLC
5515 N. East River Road
Chicago, IL 60656
Attn: James V. Blair & Joseph V. Scarpelli

If to MCI: Milhouse Construction, Inc.
60 E. Van Buren St., STE 1501
Chicago, IL 60605
Attn: Wilbur C. Milhouse III, P.E & Dolla Crater

27. Non-Assignment:

Except as expressly permitted herein, no party shall sell, assign, transfer, mortgage or otherwise encumber any part or all or its Joint Venture interest or this Agreement without the written consent of the other Party, or suffer any third Party to sell, assign transfer, mortgage, charge or otherwise encumber, or contract to or permit any of the foregoing whether voluntarily or by operation of law (collectively referred to herein from time to time as a "transfer"), and any attempt to do shall be void. The giving of such consent in any one or more instances shall not limit or waive the need for such consent in any other or subsequent instances, nor shall it relieve any Party of its obligations hereunder.

28. Successors/Governing Law/Venue Selection:

This Agreement shall inure to the benefit of and be binding upon the legal representatives, successors, and permitted assigns of the Parties and shall be governed and interpreted according to the laws of the State of Illinois. The parties hereby further agree that any action commenced to resolve any dispute hereunder shall be brought in Cook County,

Illinois; either in the Circuit Court of Cook County, Illinois or in the United States District Court for the Northern District of Illinois.

29. Tax Status, Allocation and Reports:

Notwithstanding any provisions hereof to the contrary, solely for United States Federal Income Tax purposes, each of the parties hereby recognizes that the Joint Venture will be organized and taxed as a partnership for state and federal income tax purposes, which status shall not expand the obligations or liabilities of the Parties. The Management Committee shall cause to be prepared all tax returns and statements, if any, that must be filed on behalf of the Joint Venture with any taxing authority, and shall submit such returns and statements to each of the Parties in accordance with Internal Revenue Service and or State Departments of Revenue requirements for their approval prior to filing, and upon approval thereof by all of the Parties, make timely filings thereof all as expressly provided herein.

30. Ownership and Use of Documents:

All documents produced for or by the Joint Venture shall be owned by the Joint Venture. No Party shall use these documents for other Projects without the prior written consent of the other Party.

31. Execution of Additional Documents:

The Parties hereto agree to execute and deliver any and all additional documents and instruments and do all acts which may be reasonably necessary to carry out and effectuate the purposes of this Agreement.

32. Unenforceability:

The determination that any term or provision contained in this Agreement is void or unenforceable shall affect that term or provision only and the remainder of this Agreement shall remain in full force and affect.

33. Limitation of Rights of Others:

Nothing contained in this Agreement, whether express or implied, shall be construed to give the owner or any other entity or person other than the Parties hereto, any legal or equitable right, remedy or claim under or in respect to this Agreement.

34. Confidentiality:

Each party hereto shall consider all Joint Venture information, or information provided by the other Party as confidential, unless such information is already in existence as common or public knowledge, and in no event disclose such non-public information to any third party.

35. Waiver:

Neither the failure of any Party to exercise any power given to such party under this Agreement or to insist upon strict compliance by the other Party with such other Party's obligations under this Agreement, nor any custom or practice of the Parties at variance with the terms hereof, shall constitute a waiver of any Party's right to demand exact, full and complete compliance by the other Party with the terms and provisions of this Agreement.

36. Captions:

The captions and headings used herein are for convenience and reference only and shall not limit or expand or be used to interpret the provisions thereof. In addition, whenever the singular, plural, masculine, feminine or neuter is used in this Agreement it shall not be used to limit reference to the opposite.

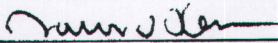
37. Counterparts:

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and together shall constitute but a single instrument.

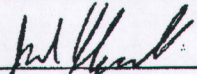
[Signature Page Follows]

IN WITNESS THEREOF, the parties to this Agreement do hereby execute this Agreement as of the day and year specified above.


F. H. PASCHEN, S. N. NIELSEN & ASSOCIATES LLC

By: 
James V. Blair

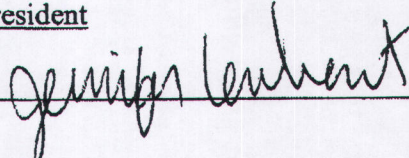
Its: Authorized Agent & President

Attest 

Milhouse Construction, Inc

By: 
Wilbur C. Milhouse III, P.E.

Its: President

Attest 

SCHEDULE A
INSURANCE:

**Insurance Requirements for F.H. Paschen, S.N. Nielsen & Associates, LLC (FHP) and
Milhouse Construction, Inc. (MCI)**

Insurance must be in compliance with the following requirements and procured with a policy inception date prior to the commencement of any work. All subcontractors will provide insurance in accordance to Schedule D.

A) Workers' Compensation and Employer's Liability Insurance

- The Joint venture will be added as a named insured to FHP's Workers Compensation policy.
- FHP payroll will be insured under FHP's Workers Compensation policy
- MCI payroll will be insured under MCI's Workers Compensation policy
- FHP and MCI will procure insurance to meet the requirements in Item 1, found in the following schedule D.

B) Commercial General Liability Insurance

- The Joint venture will be added as a named insured to FHP's General Liability policy for 10 years after the final completion of the project.
- Coverage will be provided under FHP's general liability policy for their designated work.
- Coverage will be provided under MCI's general liability policy for their designated work
- FHP and MCI will procure insurance to meet the requirements in Item 2, found in the following schedule D.

C) Automobile Liability Insurance

- The Joint venture will be added as a named insured to FHP's Automobile Liability policy.
- FHP will provide coverage for FHP vehicles under their automobile policy
- MCI will provide coverage for MCI vehicles under their automobile policy
- FHP and MCI will procure insurance to meet the requirements in Item 3, found in the following schedule D

D) Contractors Pollution Liability Insurance

- The Joint venture will be added as a named insured to FHP's Pollution Liability policy.
- MCI will provide coverage for their operations.
- FHP will provide coverage for their operations.
- FHP and MCI will procure insurance to meet the requirements in Item 5, found in the following schedule D

E) All Risk Property Risk Insurance

- **F.H. Paschen, S.N. Nielsen & Associates LLC** shall provide All Risk Property Insurance for this project.

- If a loss occurs under the builders risk policy, the deductible shall be paid for in accordance to the item 6, found in the following schedule D.

F) All Risk Property Insurance exclusions

- Please see Item 7, found in the following schedule D

G) Umbrella Liability Insurance

- Coverage will be provided under FHP's umbrella liability policy for their designated work.
- Coverage will be provided under MCI's umbrella liability policy for their designated work
- FHP and MCI will procure insurance to meet the requirements in Item 8, found in the following schedule D

SCHEDULE D

Before commencing work under this contract, the Subcontractor shall submit a Certificate of Insurance in accordance with requirements listed below. At the request of **Paschen Milhouse Joint Venture** a certified copy of the insurance policies and any and all endorsements or riders thereto, evidencing compliance with all requirements contained herein shall be provided.

A. Insurance to be Provided

1) Workers' Compensation and Employer's Liability Insurance

Workers' Compensation Insurance affording workers' compensation benefits for all employees as required by law and Employers' Liability Insurance covering all Subcontractor's employees who work on a Project, with limits of not less than \$1,000,000.00. The insurance carrier shall provide a waiver of subrogation for **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC.**

2) Commercial General Liability Insurance

Commercial General Liability Insurance with a combined single limit of liability of not less than \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate. Such insurance shall include a designated construction project general aggregate limit endorsement. Such insurance shall provide coverage for bodily injury, personal injury, property damage, premises and operations, explosion, collapse and underground hazards, products and completed operations, contractual liability, independent contractors, broad form property damage (including products and completed operations. **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC** shall be included as additional insured, with coverage no more restrictive than Insurance Services Office (ISO) Form Number CG 20 10 10 01 and CG

20 37 10 01. Coverage provided the additional insured shall be on a primary, non-contributory basis for any liability arising directly or indirectly from the work of the Subcontractor. The insurance carrier shall provide a waiver of subrogation for all above listed additional insureds. Products/Completed Operations shall extend for two years after Final Completion.

3) **Automobile Liability Insurance**

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Subcontractor shall provide automobile liability insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage and **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC** are to be named as an additional insured on a primary, non-contributory basis. The additional insured endorsement must be ISO Form CA 20 48 or its equivalent. The insurance carrier shall provide a waiver of subrogation for all above listed additional insureds.

4) **Professional Liability**

When any architects, engineers or consulting firms perform work in connection with the subcontract, Professional Liability insurance shall be maintained with limits of \$5,000,000. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with or precede start of work pursuant to the contract.

5) **Contractors Pollution Liability Insurance**

When Subcontractor's work includes cleanup, removal, storage or otherwise handling of hazardous or toxic chemicals, materials, substances, or any other pollutants the Subcontractor shall provide at their expense Contractor Pollution Liability Insurance appropriate to cover such activities in an amount not less than \$5,000,000 Combined Single Limit per occurrence / aggregate for bodily injury, property damage and remediation. Claims Made policies will include an extended reporting period of two (2) years. The policy for this insurance shall include Contractual Liability coverage. Such policy shall be endorsed to specifically provide for Work performed under the Contract and shall extend to all third tier subcontractors engaged in hazardous material activities. **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC** are to be named as an additional insured.

6) **All Risk Property Risk Insurance**

F.H. Paschen, S.N. Nielsen & Associates LLC shall provide All Risk Property Insurance for this project. The insurance shall provide for a deductible on a per loss basis. It shall be the responsibility of the covered subcontractor or contractor to bear the expense of this deductible as it relates to their work. If loss involves more than one insured, then the deductible shall be pro-

rated among the claimants based upon the percentage their loss bears to the entire eligible loss. All payments for Builders Risk loss shall be subject to the terms and conditions of the policy. Copies of the coverage will be provided upon written request of the Subcontractor.

7) **All Risk Property Insurance exclusions**

The All Risk Property Insurance shall not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the Project site and the capital value of which is not included in the Work. The Subcontractor shall make his own arrangements for any insurance he may require on such construction equipment.

8) **Umbrella Liability Insurance**

This coverage is to follow the form of all primary coverage requirements as outlined above, and shall be provided in an amount not less than \$5,000,000, each occurrence and annual aggregate on a per project basis excess of the underlying policy limits. Subcontractor must have its Umbrella/Excess insurance endorsed to include as additional insured **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC.**

B. Insurance Requirements

- 1) The additional insured endorsements affording additional insured status under the General Liability and Automobile Liability insurance must be attached to the certificate of insurance and delivered to **Paschen Milhouse Joint Venture** prior to the commencement date of the work to be performed.
- 2) All deductibles or self insured retentions on referenced insurance coverages shall be borne by the Subcontractor.
- 3) The Subcontractor agrees that insurers shall waive their rights of subrogation against **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC.**
- 4) The Subcontractor shall require all second tier subcontractors to provide the insurance required herein or Subcontractor may provide the coverages for second tier subcontractors. All second tier subcontractors shall be subject to the same insurance requirements of Subcontractor.
- 5) Subcontractor in this agreement must include the cost for Subcontractor to provide and maintain each of the insurance coverages for the Work, through insurance companies licensed by the State of Illinois and rated at least A-VII by A.M. Best's or comparable rating agency.

6) All subcontractor insurance policies must expressly provide that no less than 60 days prior written notice by certified mail must be given to the additional insured in the event of material alteration, cancellation, or non-renewal of the coverage. Notice of Cancellation for failure to pay any required premium must be furnished no less than 10 days before the cancellation.

7) Subcontractor must not issue payment to second tier subcontractors unless the second tier subcontractor's current Certificate of Insurance is on file. Failure of **Paschen Milhouse Joint Venture** to receive Certificates of Insurance required or to demand receipt of such Certificates of Insurance must not be construed as a waiver of Subcontractor's or second tier subcontractor's obligations to obtain insurance pursuant to these Insurance Requirements. The obligation of the Subcontractor and its second tier subcontractors to procure and maintain any insurance required by these Insurance Requirements is a separate responsibility of the Subcontractor and its second tier subcontractors and independent of the duty to furnish a Certificate of Insurance of any such insurance policies.

8) **Paschen Milhouse Joint Venture** reserves the rights to modify, delete, alter or change these requirements.

CERTIFICATE

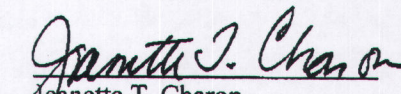
I do hereby certify that the following is a true, complete and correct copy of a resolution issued by FHP Management, Inc. on July 14, 2010, the Sole Manager of F.H. Paschen, S.N. Nielsen & Associates LLC.

"RESOLVED, that the following are hereby authorized to execute and deliver for and on behalf of F. H. Paschen, S.N. Nielsen & Associates LLC contracts of all kinds, including but not limited to, construction proposals, construction contracts, joint venture agreements, change orders, bid bonds, payment and performance bonds, and any and all documents, instruments and papers which in their discretion may be necessary, expedient, or proper for execution of the construction of the various projects bid by F. H. Paschen, S.N. Nielsen & Associates LLC.

Frank H. Paschen	Agent
James V. Blair	Agent
James J. Habschmidt	Agent
Joseph V. Scarpelli	Agent
Robert F. Zitek	Agent
Lyle Shear	Agent
W. Mark Barkowski	Agent
Christian D. Blake	Agent
Charles Freiheit	Agent
Douglas Pelletier	Agent
Roland Schneider	Agent
Timothy B. Stone	Agent
Leo J. Wright	Agent
Jeanette T. Charon	Agent
David P. Roy	Agent
Tedd Bloom	Office Manager
Matthew Moss	Project Manager
Anthony Izzi	Regional Manager

I do hereby further certify that said resolution has not been amended or repealed and is in full force and effect.

IN WITNESS WHEREOF I have hereunto set my hand as Secretary of FHP Management, Inc., the Sole Manager of F. H. Paschen, S.N. Nielsen & Associates LLC., this 1st day of February, 2013.


Jeanette T. Charon
Secretary

State of Illinois
County of Cook

Subscribed and sworn to before me this 1st day of February, 2013.

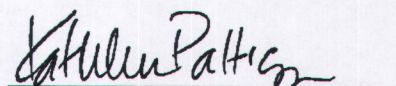

Kathleen Pattison
Notary Public



EXHIBIT 9 - INSURANCE AND BONDING REQUIREMENTS

1. The Design-Builder shall furnish proof of its ability to provide the bonds and insurance required by the Contract to the satisfaction of the Commission prior to the commencement of any construction activities on site. With respect to the payment and performance bonds, a letter from the Design-Builder's surety affirming the surety's willingness to provide the Design-Builder's bonds is sufficient. With respect to the insurance, either a letter from the Design-Builder's insurer, or a certificate showing that the Design-Builder currently possesses the required coverage, is sufficient.
2. The insurance requirements for this project are as follows: The Design-Builder must provide and maintain at Design-Builder's expense, the minimum insurance coverage and requirements specified below, insuring all operations related to the Contract. The insurance must remain in effect from: the date of the notice to proceed until Substantial Completion of the project, during completion of Punch List, as well as any time Design-Builder returns to perform additional work regarding warranties or for any other purpose.
3. The insurance requirements to be adhered to by the Design-Builder are included in this Exhibit 9.
4. Upon approval by the Commission to commence construction activities, which approval shall be designated by a Notice to Proceed with Construction Activities from the Commission to the Design-Builder, and no less than ten (10) days before the commencement of any construction activities on the site, the Design-Builder must execute and deliver to the Commission the Performance and Payment Bond in the form included in the Contract Documents, or such other guarantee as agreed to by the Commission, and evidence of the required insurance coverage.
5. The Performance and Payment Bond shall be in the form provided herein, in the full amount of the Construction GMP, and shall be security for the faithful performance of the Contract and payment of all persons, firms, or corporations to whom the Design-Builder may become legally indebted for labor, material, facilities or services of any nature, employed or used by it in performing the Work. The current power of attorney for the persons who sign for any surety company shall be attached to such bond. Such power of attorney shall be sealed and certified with a "first hand signature" by an officer of the surety. A facsimile signature will not be accepted by the Commission. The Commission reserves the right to approve the surety company.
6. The failure of the Design-Builder to supply the required Performance and Payment Bond or evidence of the required insurance coverage within five (5) days of notice, or within such extended period as the Commission may grant based upon reasons determined sufficient by the Commission, shall constitute a default and the Commission may either award the Contract to the next lowest responsible Design-Builder or re-advertise for bids. The difference between the amount of its bid and the amount for which a contract for the work is subsequently executed may be charged against the Design-Builder, irrespective of whether the amount thus due exceeds the amount of the bid security. If a more favorable bid is received by re-advertising, the defaulting Design-Builder shall have no claim against the Commission for a refund. Because of the difficulty of ascertaining the damage caused to the Commission, such sum shall be considered liquidated damages and shall not constitute a penalty. The election by the Commission to grant an extension to the period allowed for the Design-Builder to provide an acceptable performance and payment bond and/or evidence of insurance coverage shall not entitle the Design-Builder to an extension of time required to complete the Work.

EXHIBIT 9 - INSURANCE AND BONDING REQUIREMENTS

Performance and Payment Bond
Bond No. SPECIMEN

Contract No. SPECIMEN

KNOW ALL MEN BY THESE PRESENTS, that we _____ *

with offices in the _____ State of _____
as _____ Corporate _____ Principal, and _____

a corporation organized and existing under the laws of the State of _____, with
offices in the State of Illinois as Surety, are held and firmly bound unto the Public Building
Commission of Chicago, hereinafter called "Commission", in the penal sum of
_____ Dollars (\$ _____)

for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors,
administrators, and successors, jointly and severally, firmly by these presents.
The condition of this obligation is such, that whereas the Principal entered into a certain Contract,
hereto attached, with the Commission, dated _____, 20____, for the
furnishing, fabrication, delivery and installation of the in the referenced project area and other
miscellaneous work collateral thereto.

NOW, THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings,
covenants, terms, conditions, and agreements of said Contract during the original term of said
Contract and any extension thereof that may be granted by the Commission, with or without
notice to the Surety, and during the life of any guarantee required under the Contract, and shall
also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and
agreements of any and all authorized modifications of said Contract that may be made; and also
if the Principal shall promptly pay all persons, firms, and corporations supplying labor, materials,
facilities, or services in the prosecution of the work provided for in the Contract, and any and all
duly authorized modifications of said Contract that may be made, notice of which modifications
being hereby waived; and also, if the Principal shall fully secure and protect the said
Commission, its legal successor and representative, from all liability in the premises and from all
loss or expense of any kind, including all costs of court and attorney's fees, made necessary or
arising from the failure, refusal, or neglect of the aforesaid Principal to comply with all the
obligations assumed by said Principal or any sub tier subcontractors in connection with the

EXHIBIT 9 - INSURANCE AND BONDING REQUIREMENTS

performance of said Contract and all such modifications thereof; and also, if the Principal shall deliver all Work called for by said Contract of the Principal with the Commission, free and clear of any and all claims, liens and expenses of any kind or nature whatsoever, and in accordance with the terms and provisions of said Contract, and any and all modifications of said Contract; then, this said Bond shall become null and void; otherwise it shall remain in full force and effect.

The Surety does further hereby consent and yield to the jurisdiction of the State Civil Courts of the County of Cook, City of Chicago, and State of Illinois, and does hereby formally waive any plea of jurisdiction on account of the residence elsewhere of the Surety. The Principal and Surety severally and jointly agree that this Bond, and the undertakings contained herein, are also for the benefit of any and all sub tier subcontractors and other persons furnishing materials, labor, facilities, or services to the Principal or for the performance by the Principal of said Contract with the Commission as originally executed by said Principal and the Commission or as thereafter modified, and that any such Subcontractor or persons furnishing labor, materials, facilities, or services may bring suit on this Bond, or any undertaking herein contained, in the name of the Commission against the said Principal and Surety or either of them.

It is expressly understood and agreed that this Bond, in the penal sum of

_____ dollars (\$ _____),

shall secure the payment of all sums due of and by the Principal under the Contract, and guarantee the faithful performance of the Contract.

No modifications, omissions, or additions, in or to the terms of said Contract, the plans or specifications, or in the manner and mode of payment shall in any manner affect the obligations of the Surety in connection with aforesaid Contract. Notice to the Surety of any and all modifications in said Contract of the Principal with the Commission and of any additions or omissions to or from said Contract are hereby expressly waived by the Surety.

EXHIBIT 9 - INSURANCE AND BONDING REQUIREMENTS

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their several seals this _____ day of _____ 20____ the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

WITNESS:

Name Individual Principal BY (Seal)

Business Address Individual Principal BY (Seal)

City State Partner -

CORPORATE SEAL

ATTEST:

Corporate Principal

BY BY

Secretary President

Title Title

Business Address

Corporate Surety

BY

Title

Business Address

CORPORATE SEAL

Business Address

The rate of premium of this Bond is \$

perthousand.**

EXHIBIT 9 - INSURANCE AND BONDING REQUIREMENTS

Total amount of premium charged is \$

**

* The current power of attorney for the persons who sign for any surety company shall be attached to this Bond. Such power of attorney shall be sealed and certified with a "first-hand signature" by an officer of the surety. A facsimile signature will not be accepted by the Commission.

** Must be filled in by the Corporate Surety.

Bond Approval

BY

Secretary,
Public Building Commission of Chicago

CERTIFICATE AS TO CORPORATE SEAL

I, _____, certify that I am the

Secretary of the

corporation named as Principal in the within bond, that

_____, who signed on behalf of the
Principal was then President of said corporation; that I know this
person's signature, and the signature hereto is genuine; and that said Bond was
duly signed, sealed, and attested for and in behalf of said corporation by
authority of its governing body.

Dated this _____ day of _____ 20____.

CORPORATE SEAL

The Design-Builder must provide and maintain at Design-Builder's own expense, the minimum insurance coverage and requirements specified below, insuring all operations related to the Contract. Unless otherwise noted below, the insurance must remain in effect from: the date of the notice to proceed until Substantial Completion of the project, during completion of Punch List, as well as any time Design-Builder or its subcontractors return to perform additional work regarding warranties or for any other purpose, unless otherwise noted below or agreed by the Public Building Commission's Director of Risk Management.

INSURANCE TO BE PROVIDED

1) Workers' Compensation and Employers Liability (Primary and Umbrella)

Workers' Compensation Insurance as prescribed by applicable law covering all employees who are to provide a service under this Contract and Employers Liability coverage with limits of not less than \$1,000,000 each accident, illness or disease. Coverage will include a Waiver of Subrogation.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverage must include the following: All premises and operations, products/completed operations to be maintained for minimum of two (2) years following project completion, explosion, collapse, underground hazards, defense and contractual liability. Design-Builder and all subcontractors of every tier will specifically name the Public Building Commission of Chicago, the Board of Education of the City of Chicago and the City of Chicago and others as may be required by the PBC as Additional Insured using ISO CG2010 0443 and CG2037 0443. Additional Insured status will be on a primary, non-contributory basis for any liability arising directly or indirectly from the work, including the two year completed operations periods. Coverage will include a Waiver of Subrogation as required below.

Design-Builder and subcontractors working within fifty (50) feet of the rail right-of-way are required to endorse their liability policies with form CG 24 17 to eliminate the exclusion for work within fifty (50) feet of the rail right-of-way. Contractors must provide copies of this endorsement with the certificate of insurance required below. Contractors must ensure that subcontractors maintain this endorsement on their policies.

Subcontractors performing work for Design-Builder must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Design-Builder must provide Automobile Liability Insurance, with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The Public Building Commission of Chicago, the Board of Education of the City of Chicago, the City of Chicago and others as may be required by the PBC are to be named as Additional Insured on a primary, non-contributory basis.

Subcontractors performing work for Design-Builder must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

4) Contractors Pollution Liability

Contractors Pollution coverage is required with limits of not less than \$5,000,000 per occurrence for any portion of the services, which may entail, exposure to any pollutants, whether in the course of sampling, remedial work or any other activity under this contract. The Design-Builder pollution liability policy will provide coverage for sums that the insured become legally obligated to pay as loss as a result of claims for bodily injury, property damage and/or clean-up costs caused by any pollution incident arising out of the Work including remediation operations, transportation of pollutants, owned and non-owned disposal sites and any and all other activities of Design-Builder and its subcontractors. Pollution incidents will include, but not be limited to, the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, waste materials, lead, asbestos, silica, hydrocarbons and microbial matter, including fungi, bacterial or viral matter which reproduces through release of spores or the splitting of cells or other means, including but not limited to, mold, mildew and viruses, whether or not such microbial matter is living.

The policy will be maintained for a period of three years after final completion and include completed operations coverage. The policy will include the Public Building Commission of Chicago, the Board of Education of the City of Chicago and the City of Chicago and others as may be required by the PBC, as Additional Insured. These entities must be specifically named and endorsed on the policy. Additional Insured coverage must be on a primary and non-contributory basis for on-going and completed operations. Coverage will include a waiver of subrogation as required below.

Subcontractors performing work for Design-Builder must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

5) Professional Liability

When Design-Builder performs work in connection with the Agreement, Professional Liability Insurance must be maintained with limits of not less than ~~\$5,000,000~~ \$1,000,000 covering acts, errors, or omissions. The policy will include coverage for wrongful acts, including but not limited to errors, acts or omissions, in the rendering or failure to render professional services resulting in a pollution incident. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede the, start of work on the Agreement. Coverage must be maintained for two years after substantial completion. A claims-made policy, which is not renewed or replaced, must have an extended reporting period of two (2) years.

In the event that the Design-Builder hires an Architect/Engineer, the Architect/Engineer must maintain limits of not less than ~~\$5,000,000~~ \$1,000,000 per occurrence with the same terms herein. Subcontractors performing professional work for Design-Builder or an Architect/Engineer must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

6) Builders Risk

Design-Builder must provide All Risk Builders Risk Insurance or Installation Floater on a replacement cost basis including but not limited to all labor, materials, supplies, equipment,

machinery and fixtures that are or will be permanent part of the facility. Coverage must be on an All Risk or Cause of Loss, Special Form basis including, but not limited to, the following: right to partial or complete occupancy, collapse; water damage including overflow, leakage, sewer backup, or seepage; resulting damage from faulty or defective workmanship or materials; resulting damage from error or omission in design, plans or specifications; debris removal; Ordinance and Law and include damage to, false work, fences, temporary structures and equipment stored off site or in transit. The policy will allow for partial or complete occupancy and include damage to existing property at the site with a sublimit of \$1,000,000.

The Public Building Commission of Chicago and the Board of Education of the City of Chicago will be Named Insured on the policy. Coverage must be for the full completed value of the work and must remain in place until at least Substantial Completion and may only be cancelled with the written permission of the PBC Risk Management Department, even if the Project has been put to its intended use.

The Design-Builder is responsible for all loss or damage to personal property including but not limited to materials, equipment, tools, scaffolding and supplies owned, rented, or used by Design-Builder.

7) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Contractor must provide, with respect to the operations that Design Builder or subcontractors perform, Railroad Protective Liability insurance in the name of railroad or transit entity. The policy must have limits of not less than the requirement of the operating railroad/transit entity, and in no event less than \$2,000,000 per occurrence and \$6,000,000 aggregate, for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof. If no Railroad Protective Liability insurance is required by the nearby railroads, Contractor shall submit written confirmation from each railroad.

Contractors and subcontractors are required to endorse their liability policies with form CG 24 17 to eliminate the exclusion for work within fifty (50) feet of the rail right-of-way. Contractors and subcontractors must provide copies of this endorsement with the certificate of insurance required below.

B. ADDITIONAL REQUIREMENTS

Design-Builder must furnish the PBC's Procurement Department, Richard J. Daley Center, Room 200, Chicago, IL 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Contract, and Renewal Certificates of Insurance, or such similar evidence, if any insurance policy has an expiration or renewal date occurring during the term of this Contract. Copies of any endorsements or policy language providing Additional Insured or Named Insured status to the entities required above must accompany the Certificate of Insurance upon submission. The Design-Builder must submit evidence of insurance to the Public Building Commission prior to Contract award. The receipt of any certificate does not constitute agreement by the Commission that the insurance requirements in the Contract have been fully met or that the insurance policies indicated on the certificate are in compliance with all Contract requirements. The failure of the Commission to obtain certificates or other insurance evidence from Design-Builder is not a waiver by the Commission of any requirements for the Design-Builder to obtain and maintain the specified insurance. The Design-Builder will advise all insurers of the Contract provisions regarding insurance. Non-conforming insurance does not relieve Design-Builder of the obligation to provide insurance as specified in this contract. Non-fulfillment of the insurance conditions may constitute a breach of the Contract, and the

Commission retains the right to stop work until proper evidence of insurance is provided, or the Contract may be terminated.

The insurance must provide for 30 days prior written notice to be given to the Commission in the event coverage is substantially changed, canceled, or non-renewed.

The PBC reserves the right to obtain copies of insurance policies and records.

Any deductibles or self-insured retentions on referenced insurance must be borne by Design-Builder. All self insurance, retentions and/or deductibles must conform to these requirements.

The Design-Builder waives and agrees to cause all their insurers to waive their rights of subrogation against the Public Building Commission of Chicago, the Board of Education of the City of Chicago and the City of Chicago, their respective Board members, employees, elected officials, officers, or representatives.

The insurance coverage and limits furnished by Design-Builder in no way limit the Design-Builder's liabilities and responsibilities specified within the Contract or by law.

Any insurance or self-insurance programs maintained by the Public Building Commission of Chicago, the Board of Education of the City of Chicago and the City of Chicago will not contribute with insurance provided by the Design-Builder under the Contract.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Contract or any limitation placed on the indemnity in this Contract given as a matter of law.

If Design-Builder is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a Named Insured.

The Design-Builder must require all subcontractors to provide the insurance required herein, or Design-Builder may provide the insurance for subcontractors. All subcontractors are subject to the same insurance requirements of Design-Builder unless otherwise specified in this Contract.

If Design-Builder or subcontractor desires additional coverage, the party desiring the additional coverage is responsible for the acquisition and cost.

Design-Builder must submit the following at the time of award:

1. Standard ACORD form Certificate of Insurance issued to the Public Building Commission of Chicago as Certificate Holder including:
 - a. All required entities as Additional Insured
 - b. Evidence of waivers of subrogation
 - c. Evidence of primary and non-contributory status
2. All required endorsements including the CG2010 ~~04-13~~ and the CG2037 ~~04-13~~ or equivalents

The PBC's Director of Risk Management maintains the rights to modify, delete, alter or change these requirements.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/25/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA INC. 540 W. MADISON CHICAGO, IL 60661 Attn: chicago.CertRequest@marsh.com	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:														
PS1968	INSURER(S) AFFORDING COVERAGE <table border="1"><thead><tr><th>INSURER</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A : Zurich American Insurance Company</td><td>16535</td></tr><tr><td>INSURER B : American Zurich Insurance Company</td><td>40142</td></tr><tr><td>INSURER C : Illinois National Insurance Company</td><td>23817</td></tr><tr><td>INSURER D : Alterra America Insurance Company</td><td>21296</td></tr><tr><td>INSURER E :</td><td></td></tr><tr><td>INSURER F :</td><td></td></tr></tbody></table>	INSURER	NAIC #	INSURER A : Zurich American Insurance Company	16535	INSURER B : American Zurich Insurance Company	40142	INSURER C : Illinois National Insurance Company	23817	INSURER D : Alterra America Insurance Company	21296	INSURER E :		INSURER F :	
INSURER	NAIC #														
INSURER A : Zurich American Insurance Company	16535														
INSURER B : American Zurich Insurance Company	40142														
INSURER C : Illinois National Insurance Company	23817														
INSURER D : Alterra America Insurance Company	21296														
INSURER E :															
INSURER F :															
INSURED Paschen Millhouse Joint Venture 5515 N. East River Road Chicago, IL 60656															

COVERAGES CERTIFICATE NUMBER: CHI-004704413-01 REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC			GLO 5833476-00	10/01/2012	10/01/2013	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 300,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$ 10,000</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$ 1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$ 2,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 2,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000	MED EXP (Any one person)	\$ 10,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ 2,000,000		\$
EACH OCCURRENCE	\$ 1,000,000																				
DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000																				
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GENERAL AGGREGATE	\$ 2,000,000																				
PRODUCTS - COMP/OP AGG	\$ 2,000,000																				
	\$																				
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			BAP 5833474-00	10/01/2012	10/01/2013	<table border="1"><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$ 1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td></td><td>\$</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$				
COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000																				
BODILY INJURY (Per person)	\$																				
BODILY INJURY (Per accident)	\$																				
PROPERTY DAMAGE (Per accident)	\$																				
	\$																				
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			2310-2191	10/01/2012	10/01/2013	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 25,000,000</td></tr><tr><td>AGGREGATE</td><td>\$ 25,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 25,000,000	AGGREGATE	\$ 25,000,000		\$								
EACH OCCURRENCE	\$ 25,000,000																				
AGGREGATE	\$ 25,000,000																				
	\$																				
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WC 5833475-00 (AOS) WC 5833477-00 (WI)	10/01/2012 10/01/2012	10/01/2013 10/01/2013	<table border="1"><tr><td><input checked="" type="checkbox"/> WC STATUTORY LIMITS</td><td>OTHER</td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$ 1,000,000</td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$ 1,000,000</td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$ 1,000,000</td></tr></table>	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000						
<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER																				
E.L. EACH ACCIDENT	\$ 1,000,000																				
E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000																				
E.L. DISEASE - POLICY LIMIT	\$ 1,000,000																				
D	Excess Layer Liability			MAXA3EC30000453	10/01/2012	10/01/2013	<table border="1"><tr><td>Each Occurrence:</td><td>25,000,000</td></tr><tr><td>Aggregate:</td><td>25,000,000</td></tr></table>	Each Occurrence:	25,000,000	Aggregate:	25,000,000										
Each Occurrence:	25,000,000																				
Aggregate:	25,000,000																				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: 2013 School Investment Program (Project 6) Contract: PS1968

Public Building Commission of Chicago, the board of Education of the City of Chicago, City of Chicago and their respective board members, employees, elected officials, officers, or representatives are included as additional insured (except Workers' Compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and where required by written contract. Waiver of subrogation is applicable where required by written contract.

CERTIFICATE HOLDER

Public Building Commission
Attn: Procurement Department
Richard J. Daley Center,
50 West Washington St. Room 200
Chicago, IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

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ACORD 25 (2010/05)

The ACORD name and logo are registered marks of ACORD

COI - PASCHEN CMC - SP68, 968 20131001
18000-0003-01-02



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/11/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER MARSH USA INC. 540 W. MADISON CHICAGO, IL 60661 Attn: chicago.CertRequest@marsh.com 057572-Std-POLL-12-13	CONTACT NAME:	FAX (A/C, No):	
	PHONE (A/C, No, Ext):	E-MAIL ADDRESS:	
INSURED Paschen Millhouse Joint Venture 5515 N. East River Road Chicago, IL 60656	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : N/A		N/A
	INSURER B : N/A		N/A
	INSURER C : N/A		N/A
	INSURER D : Indian Harbor Insurance Co.		36940
	INSURER E :		
INSURER F :			

COVERAGES **CERTIFICATE NUMBER:** CHI-004714901-01 **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY					
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY					EACH OCCURRENCE \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
						MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG \$
						\$
	AUTOMOBILE LIABILITY					
	<input type="checkbox"/> ANY AUTO					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
						\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A			WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
D	Professional/Pollution Liability		PEC002922303	10/01/2012	10/01/2013	Limit 5,000,000 SIR 50,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: 2013 School Investment Program (Project 6), Contract: PS1968

CERTIFICATE HOLDER

Public Building Commission
Richard J. Daley Center
Attn: Procurement Department
50 West Washington St, Room 200
Chicago, IL 60602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

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ACORD 25 (2010/05)

The ACORD name and logo are registered marks of ACORD

COI - PASCHEN - CMC - PS 1968 - 2013/001
18000 00-03.09.02



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/11/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER

MARSH USA INC.
540 W. MADISON
CHICAGO, IL 60661

INSURED

F.H. Paschen,
S.N. Nielsen & Associates, LLC
5515 N. East River Road
Chicago, IL 60656

CONTACT

NAME:

PHONE

(A/C, No, Ext):

E-MAIL

ADDRESS:

FAX
(A/C, No):

INSURER(S) AFFORDING COVERAGE

NAIC

INSURER A: Travelers Property Casualty Co of America

25674

INSURER B: N/A

N/A

INSURER C: N/A

N/A

INSURER D: N/A

N/A

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						EACH OCCURRENCE \$
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>						MED EXP (Any one person) \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$
	POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/>						GENERAL AGGREGATE \$
	AUTOMOBILE LIABILITY						PRODUCTS - COMPROP AGG \$
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per person) \$
	HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						BODILY INJURY (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/>						PROPERTY DAMAGE (Per accident) \$
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/>						
	DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/>						EACH OCCURRENCE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						AGGREGATE \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input type="checkbox"/>	N/A				WC STATUTORY LIMITS \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						OTHER \$
A	Builders Risk			QT-630-1588C684-TIL	6/10/2013	12/31/2013	E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
							Contract Value: \$9,071,724
							Existing Structures: \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: 2013 School Investment Program (Project 6)

Certificate Holder is an additional insured and loss Payee as their interests may appear.

CERTIFICATE HOLDER

CANCELLATION

Public Building Commission
Richard J. Daley Center
Attn: Procurement Department
50 W. Washington St. Room 200
Chicago, IL 60602

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Edward W. Hammett

COT - PASCHEN - CMC - PS1968 - 20131231

18000 00-03-09 02

**AIA Document A312™ – 2010****Performance Bond****CONTRACTOR:***(Name, legal status and address)*

Paschen Milhouse Joint Venture
5515 N. East River Road
Chicago, Illinois 60656

OWNER:*(Name, legal status and address)*

Public Building Commission of Chicago
50 W. Washington Street; Suite 200
Chicago, Illinois 60602

CONSTRUCTION CONTRACT**Date:**

Amount: Eight Million Nine Hundred Thousand & No/100
 (\$8,900,000.00) Dollars

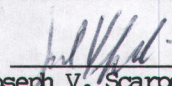
Description:*(Name and location)*

2013 School Investment Program - Project Number 6
 Contract Number PS1968

BOND**Date:** June 6, 2013*(Not earlier than Construction Contract Date)*

Amount: Eight Million Nine Hundred Thousand & No/100
 (\$8,900,000.00) Dollars

Modifications to this Bond: ☐ None ☐ See Section 16

CONTRACTOR AS PRINCIPAL**Company:** *(Corporate Seal)***Paschen Milhouse Joint Venture****Signature:** **Name** Joseph V. Scarpelli**and Title:** Representative, Mgmt. Comm.*(Any additional signatures appear on the last page of this Performance Bond.)**(FOR INFORMATION ONLY — Name, address and telephone)***AGENT or BROKER:**

Marsh USA Inc.
 540 W. Madison Street
 Suite 1200
 Chicago, IL 60661

SURETY:*(Name, legal status and principal place of business)*

Continental Casualty Company
 333 S. Wabash Avenue; 41st Floor
 Chicago, Illinois 60604
Liberty Mutual Insurance Company
 2815 Forbs; Suite 102
 Hoffman Estates, Illinois 60192
Fidelity and Deposit Company of Maryland
 1400 American Lane; Tower I
 Schaumburg, Illinois 60196
International Fidelity Insurance Company
 One Newark Center; 20th Floor
 Newark, New Jersey 07102

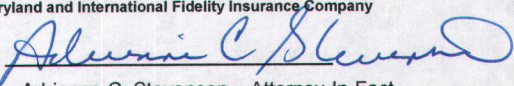
This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

AIA Document A312-2010 combines two separate bonds, a Performance Bond and a Payment Bond, into one form. This is not a single combined Performance and Payment Bond.

SURETY**Company:** *(Corporate Seal)*

Continental Casualty Company; Liberty Mutual Insurance Company; Fidelity and Deposit Company of Maryland and International Fidelity Insurance Company

Signature: **Name**

Adrienne C. Stevenson, Attorney-In-Fact

and Title:

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 **Balance of the Contract Price.** The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 **Construction Contract.** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 **Contractor Default.** Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 **Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 **Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company:

(Corporate Seal)

Company:

(Corporate Seal)

Signature: _____

Name and Title: _____

Address _____

Signature: _____

Name and Title: _____

Address _____

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

Init.

AIA Document A312™ – 2010. The American Institute of Architects.



Document A312™ – 2010

Payment Bond

CONTRACTOR:

(Name, legal status and address)

Paschen Milhouse Joint Venture
5515 N. East River Road
Chicago, Illinois 60656

OWNER:

(Name, legal status and address)

Public Building Commission of Chicago
50 W. Washington Street; Suite 200
Chicago, Illinois 60602

CONSTRUCTION CONTRACT

Date:

Amount: Eight Million Nine Hundred Thousand & No/100
(\$8,900,000.00) Dollars

Description:

(Name and location)

2013 School Investment Program - Project Number 6
Contract Number PS1968

BOND

Date: June 6, 2013

(Not earlier than Construction Contract Date)

Amount: Eight Million Nine Hundred Thousand & No/100
(\$8,900,000.00) Dollars

Modifications to this Bond: ☐ None ☐ See Section 18

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

Paschen Milhouse Joint Venture

Signature:

Name **Joseph V. Scarpelli**

and Title: **Representative, Mgmt Comm.**

(Any additional signatures appear on the last page of this Payment Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

Marsh USA Inc.
540 W. Madison Street
Suite 1200
Chicago, IL 60661

SURETY:

(Name, legal status and principal place of business)

Continental Casualty Company
333 S. Wabash Avenue; 41st Floor
Chicago, Illinois 60604
Liberty Mutual Insurance Company
2815 Forbes; Suite 102
Hoffman Estates, Illinois 60192
Fidelity and Deposit Company of Maryland
1400 American Lane; Tower I
Schaumburg, Illinois 60196
International Fidelity Insurance Company
One Newark Center; 20th Floor
Newark, New Jersey 07102

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

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

AIA Document A312-2010 combines two separate bonds, a Performance Bond and a Payment Bond, into one form. This is not a single combined Performance and Payment Bond.

SURETY

Company: (Corporate Seal)

Continental Casualty Company; Liberty Mutual Insurance Company; Fidelity and Deposit Company of Maryland and International Fidelity Insurance Company

Signature:

Name **Adrienne C. Stevenson, Attorney-In-Fact**

and Title:

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 **Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 **Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 18 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company: _____

(Corporate Seal)

Company: _____

(Corporate Seal)

Signature: _____

Name and Title: _____

Address _____

Signature: _____

Name and Title: _____

Address _____

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

STATE OF ILLINOIS
COUNTY OF COOK

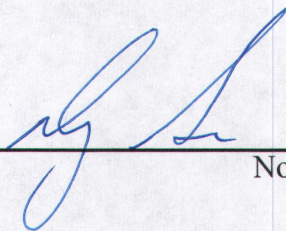
I, Douglas Schmude, a Notary Public in and for said County, do hereby certify that Adrienne C. Stevenson as Attorney-in-Fact, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed, and delivered said instrument for and on behalf of

Continental Casualty Company	An Illinois Corporation
Fidelity and Deposit Company of Maryland	A Maryland Corporation
International Fidelity Insurance Company	A New Jersey Corporation
Liberty Mutual Insurance Company	A Massachusetts Corporation

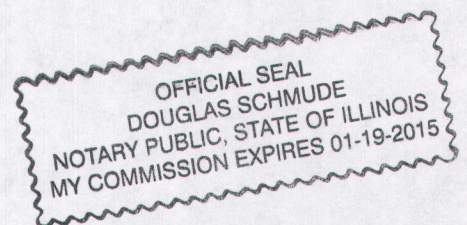
for the uses and purposed therein set forth.

Given under my hand and notarial seal at my office in the City of Chicago in said County,

this 6th day of June A.D. 2013



Notary Public



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

Adrienne C Stevenson, C R Hernandez, Theodore C Sevier Jr, Katherine J Foreit, John K Johnson, Beatriz Polito, Amy B Wickett, Douglas M Schmude, Individually

of Chicago, IL, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 7th day of November, 2012.

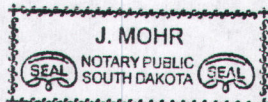


Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Paul T. Bruflat Vice President

State of South Dakota, County of Minnehaha, ss:

On this 7th day of November, 2012, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that he knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.

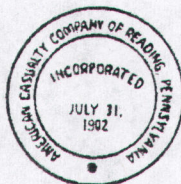


My Commission Expires June 23, 2015

J. Mohr Notary Public

CERTIFICATE

I, D. Bult, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance companies printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 6th day of June 2013.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

D. Bult Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 12, 1995:

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective."

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of Continental Casualty Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012:

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company by unanimous written consent dated May 10, 1995:

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective."

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of National Fire Insurance Company of Hartford.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012:

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company by unanimous written consent dated May 10, 1995:

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective."

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of American Casualty Company of Reading, Pennsylvania.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012:

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6091356

American Fire and Casualty Company
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Adrienne C. Stevenson; Amy B. Wickett; Beatriz Polito; C. R. Hernandez; Douglas M. Schmude; John K. Johnson; Katherine J. Foreit

all of the city of CHICAGO, state of IL each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

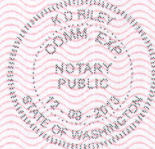
IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 23rd day of April, 2013.



STATE OF WASHINGTON ss
COUNTY OF KING

On this 23rd day of April, 2013, before me personally appeared Gregory W. Davenport, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Seattle, Washington, on the day and year first above written.



American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

By: KD Riley
KD Riley, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Gregory W. Davenport, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, David M. Carey, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 6th day of June, 20 13.



By: David M. Carey
David M. Carey, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by **THOMAS O. MCCLELLAN, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **C. R. HERNANDEZ, Theodore C. SEVIER, JR., Katherine J. FOREIT, Adrienne C. STEVENSON, Beatriz POLITO, Amy B. WICKETT, John K. JOHNSON and Douglas M. SCHMUDE, all of Chicago, Illinois, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 11th day of February, A.D. 2013.

ATTEST:

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



Gregory E. Murray

By: _____

*Assistant Secretary
Gregory E. Murray*

Thomas O. McClellan

*Vice President
Thomas O. McClellan*

State of Maryland
City of Baltimore

On this 11th day of February, A.D. 2013, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **THOMAS O. MCCLELLAN, Vice President, and GREGORY E. MURRAY, Assistant Secretary**, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Constance A. Dunn

Constance A. Dunn, Notary Public
My Commission Expires: July 14, 2015



POWER OF ATTORNEY

INTERNATIONAL FIDELITY INSURANCE COMPANY ALLEGHENY CASUALTY COMPANY

ONE NEWARK CENTER, 20TH FLOOR NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and **ALLEGHENY CASUALTY COMPANY** a corporation organized and existing under the laws of the State of Pennsylvania, having their principal office in the City of Newark, New Jersey, do hereby constitute and appoint

AMY B. WICKETT, JOHN K. JOHNSON, KATHERINE J. FOREIT, C.R. HERNANDEZ, BEATRIZ POLITO,
DOUGLAS M. SCHMUDE, ADRIENNE C. STEVENSON

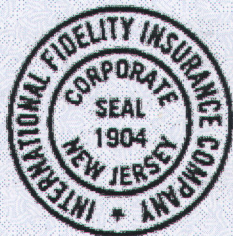
Chicago, IL.

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 20th day of July, 2010 and by the Board of Directors of ALLEGHENY CASUALTY COMPANY at a meeting duly held on the 15th day of August, 2000:

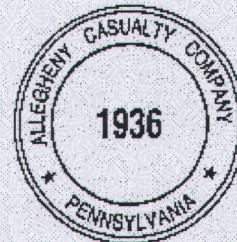
"RESOLVED, that (1) the President, Vice President, Executive Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY have each executed and attested these presents on this 12th day of March, 2012.



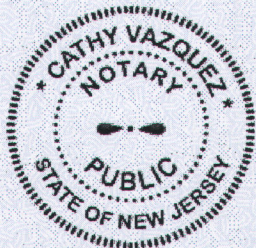
STATE OF NEW JERSEY
County of Essex

ROBERT W. MINSTER
Executive Vice President/Chief Operating Officer
(International Fidelity Insurance Company)
and President (Allegheny Casualty Company)



On this 12th day of March 2012, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 2014

CERTIFICATION

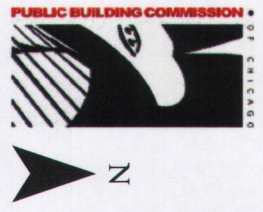
I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 6th day of June, 2013

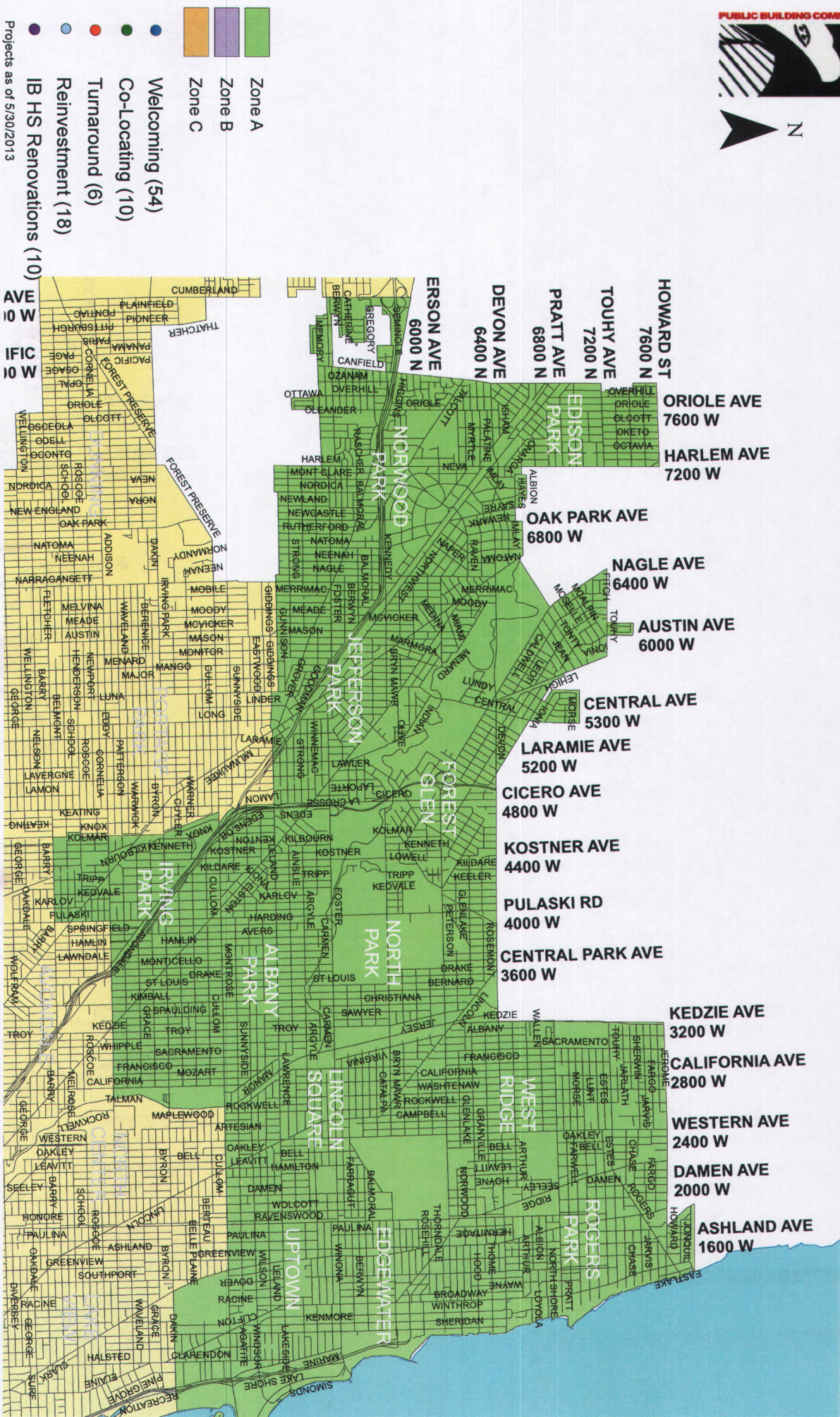
MARIA BRANCO, Assistant Secretary

EXHIBIT 10 - COMMUNITY AREA MAPS

Maps for Community Zone Areas A, B, and C as delineated in the maps attached hereto.

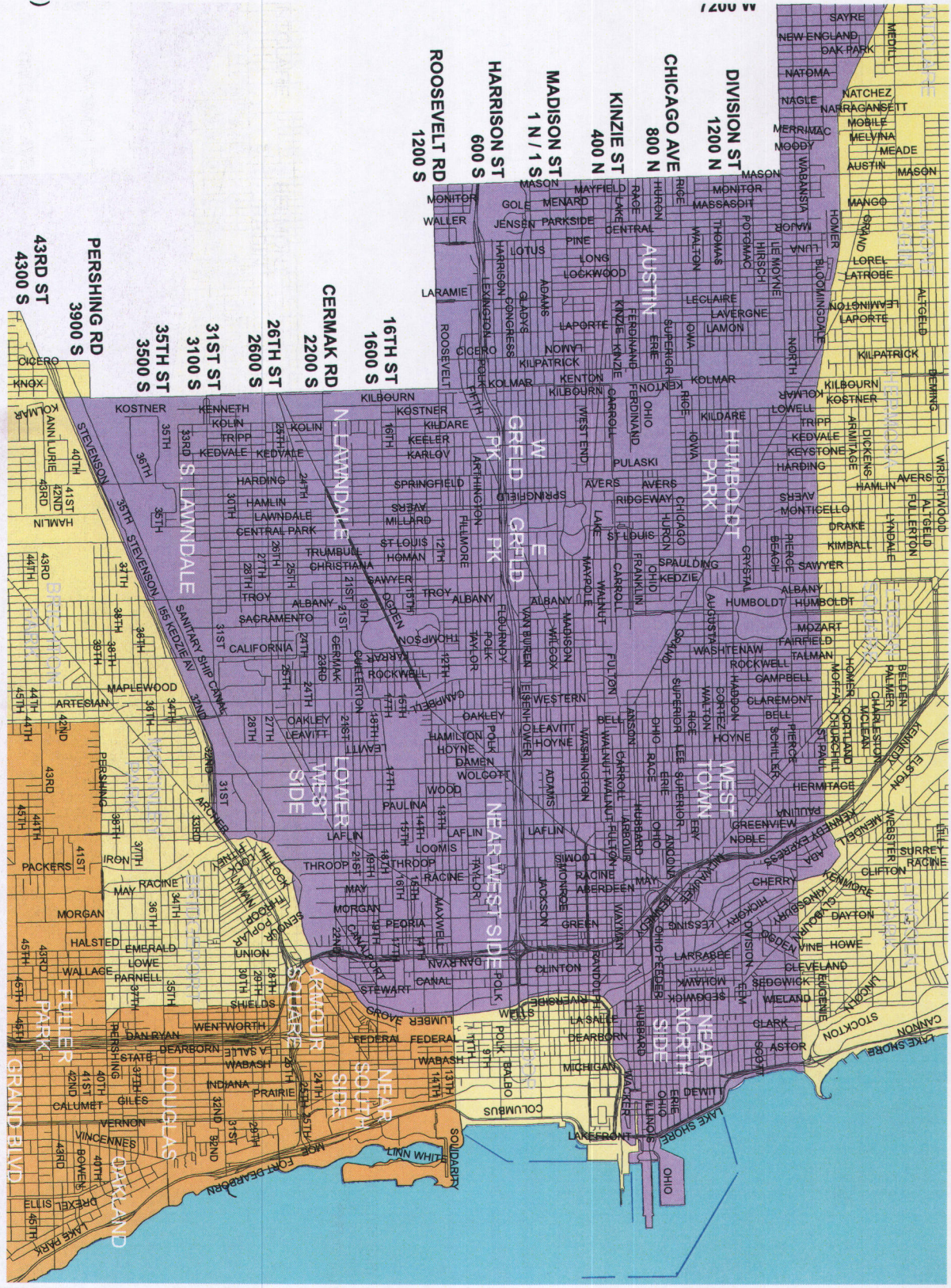


CPS School Investment Program Community Hiring Zone A





CPS School Investment Program Community Hiring Zone B



- Zone A
- Zone B
- Zone C
- Welcoming (54)
- Co-Locating (10)
- Turnaround (6)
- Reinvestment (18)
- IB HS Renovations (10)

Projects as of 5/30/2013



CPS School Investment Program Community Hiring Zone C

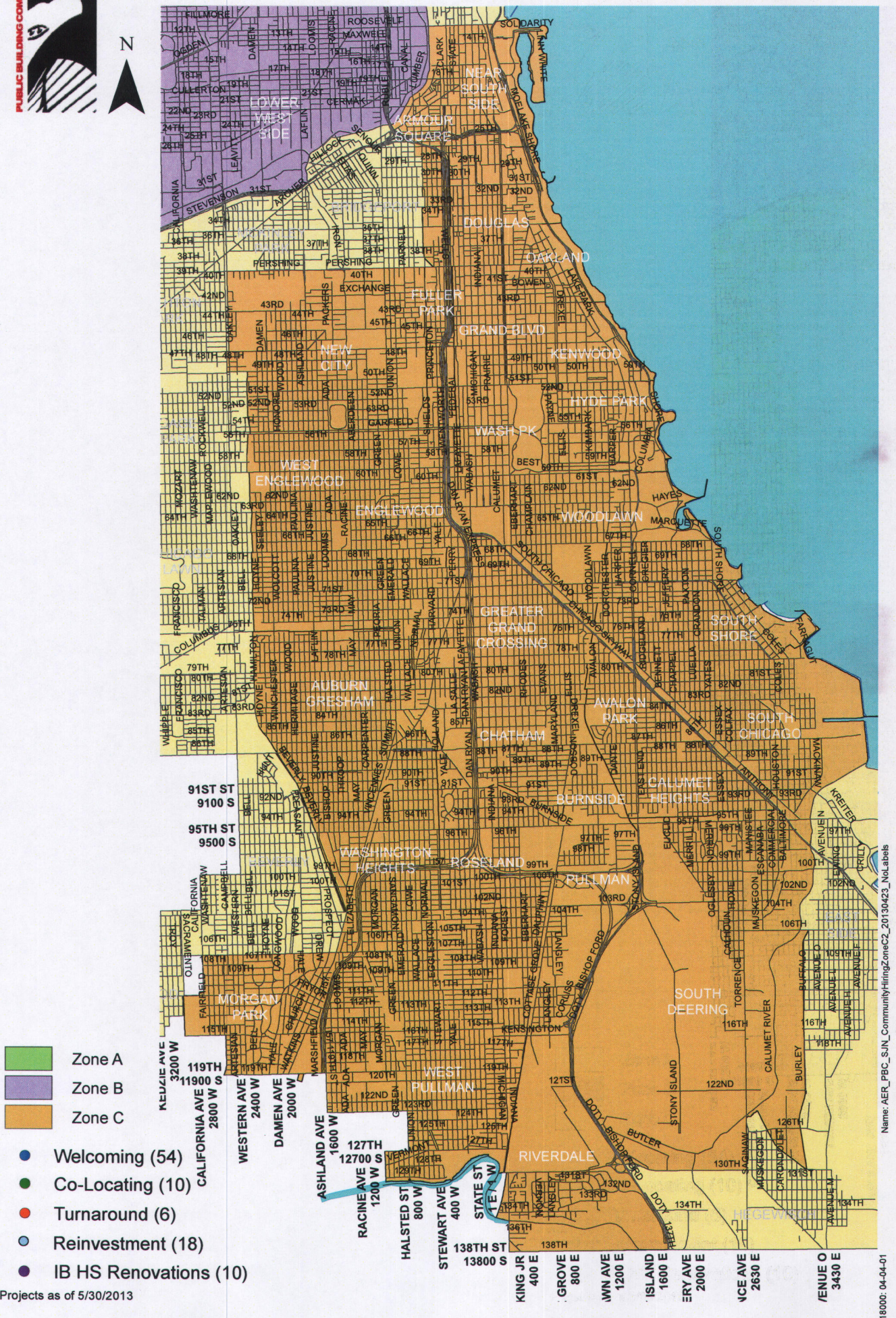


EXHIBIT 11 – SCHEDULE C (LETTERS OF INTENT)

ATTACHED HERETO

EXHIBIT 12 – SCHEDULE D (MBE/WBE UTILIZATION PLAN)

ATTACHED HERETO

**SCHEDULE D – MINORITY/WOMAN BUSINESS ENTERPRISE UTILIZATION PLAN
PUBLIC BUILDING COMMISSION OF CHICAGO**

THIS FORM SHALL BE FULLY INCORPORATED AS PART OF YOUR DESIGN-BUILD GUARANTEED MAXIMUM COST PROPOSAL AND AGREEMENT FOR THE 2013 SCHOOL INVESTMENT PROGRAM ("SIP"). ANY CHANGES TO THE MINORITY BUSINESS ENTERPRISE ("MBE") OR THE WOMAN BUSINESS ENTERPRISE ("WBE") (collectively, "MBE/WBE") UTILIZATION PLAN IS SUBJECT TO THE TERMS SET FORTH IN THE AGREEMENT AND BE APPROVED BY THE PUBLIC BUILDING COMMISSION ("PBC").

DESIGN-BUILDER: Paschen MilhousePROJECT NO.: 06

STATE LINE [5] (COST OF THE WORK) FROM YOUR REVISED GMP PROPOSAL:

\$ 5,862,591.00

The undersigned duly authorized representative of the above named Design-Builder has: personally reviewed this Schedule D-Minority/Woman Business Enterprise Utilization Plan to achieve the MBE/WBE goals established by the PBC, specifically a minimum of 30 percent of the total Cost of the Work to be allocated to MBE firms and 5 percent of the total Cost of the Work to be allocated to WBE firms; states the following MBE/WBE firms will participate in the performance of the Work to the extent of the dollar amount listed below; and also affirms, and has included Letter(s) of Certification, that the MBE/WBE firms have been certified as such by the City of Chicago or the County of Cook.

MBE/WBE FIRM	TYPE OF WORK	AMOUNT OF PARTICIPATION	
		MBE (\$)	WBE (\$)
Milhouse Engineering & Construction	GENERAL SUPERVISION, ETC. <u>337,048</u>		
Environmental Analysis, Inc.	ENVIRONMENTAL DESIGN	<u>26,000-</u>	
Valor Technologies, Inc.	ENVIRONMENTAL WORK	<u>218,885-</u>	
Ashlaur Construction, Inc.	PAINTING / CARPENTRY	<u>107,830-</u>	
Wallin Gomez Architects	DESIGN WORK	<u>45,000-</u>	
Market Contracting (2ND FLOOR WORK)	PAINTING	<u>65,940-</u>	
MBB Enterprises of Chicago, Inc.	MASONRY		<u>175,754.00</u>
MSM Solutions (2ND FLOOR TO DIA AND ADJACENT AREAS)	CARPENTRY / PAINTING	<u>198,062.10</u>	
TOTALS:		<u>988,765.00</u>	<u>175,754.00</u>
COMMITMENT PERCENTAGE AS COST OF THE WORK:			

If any part of the stated MBE/WBE firm's performance of the Work will be sublet, the undersigned shall attached a letter on its letterhead describing and explaining the Work to be sublet.

I do solemnly declare and affirm under penalties of perjury that the contents herein are, to the best of my knowledge, information and belief, the facts and representations contained herein are true, and no material facts have been omitted, and that I am authorized on behalf of the Design-Builder to make this affidavit, and will execute a formal agreement for the Work with the listed MBE/WBE firms upon execution of the Design-Build Agreement with the PBC.

CHARLES FREIHEIT
Print Name of Authorized Representative

VICE PRES. / AGENT
Title

Charles Freiheit
Signature

8/7/13
Date

Designated Design-Builder MBE/WBE Contact Name

MBE/WBE Contact Phone

MBE/WBE Contact Email

State of IL)
County of Cook) SS.

On this 7th day of Aug, 2013, the above named authorized representative personally appeared and known by me to be the person described in the foregoing acknowledged that (s)he executed the same in the capacity stated therein and for the purposes set forth therein. IN WITNESS WHEREOF, I hereunto set my hand and seal:

Lisa W. Bucher
Notary Public Signature

Seal:

OFFICIAL SEAL
LISA W. BUCHER
Notary Public - State of Illinois
My Commission Expires Jun 4, 2017

This submittal of the schedule D represents the commitment amounts available after the large late scope reductions for these schools. The significant reductions directly affected the previously committed to MBE and WBE subcontractors. Paschen Milhouse worked to replace those amounts as best as possible given the stage of the project when the deletions occurred.

SCHEDULE D - MINORITY/WOMAN BUSINESS ENTERPRISE UTILIZATION PLAN
PUBLIC BUILDING COMMISSION OF CHICAGO

THIS FORM SHALL BE FULLY INCORPORATED AS PART OF YOUR DESIGN-BUILD GUARANTEED MAXIMUM COST PROPOSAL AND AGREEMENT FOR THE 2013 SCHOOL INVESTMENT PROGRAM ("SIP"). ANY CHANGES TO THE MINORITY BUSINESS ENTERPRISE ("MBE") OR THE WOMAN BUSINESS ENTERPRISE ("WBE") (collectively, "MBE/WBE") UTILIZATION PLAN IS SUBJECT TO THE TERMS SET FORTH IN THE AGREEMENT AND BE APPROVED BY THE PUBLIC BUILDING COMMISSION ("PBC").

DESIGN-BUILDER: Paschen MilhousePROJECT NO.: 06

STATE LINE [5] (COST OF THE WORK) FROM YOUR REVISED GMP PROPOSAL:

\$ 5,862,591.00

The undersigned duly authorized representative of the above named Design-Builder has: personally reviewed this Schedule D-Minority/Woman Business Enterprise Utilization Plan to achieve the MBE/WBE goals established by the PBC, specifically a minimum of 30 percent of the total Cost of the Work to be allocated to MBE firms and 5 percent of the total Cost of the Work to be allocated to WBE firms; states the following MBE/WBE firms will participate in the performance of the Work to the extent of the dollar amount listed below; and also affirms, and has included Letter(s) of Certification, that the MBE/WBE firms have been certified as such by the City of Chicago or the County of Cook.

2ND TIER TO MBE

MBE/WBE FIRM	TYPE OF WORK	AMOUNT OF PARTICIPATION	
		MBE (\$)	WBE (\$)
Alexander Construction	MASONRY	26,012-	
M. Cannon Roofing Co. LLC	ROOFING	109,750-	
Sandsmith Masonry, Inc.	MASONRY	40,000-	
C&G Construction Supply Co., Inc.			61,061.00
RAD Electric LLC	ELECTRICAL	116,361-	
Premier Plumbing Supply	PLUMBING SUPPLY	31,000-	
Evergreen Construction Supply	ELECTRICAL SUPPLY		90,000-
Express Electrical Supply	ELECTRICAL SUPPLY	250,000	
PAGE 2 TOTALS:		573,123.00	151,061.00
COMMITMENT PERCENTAGE AS COST OF THE WORK:			

If any part of the stated MBE/WBE firm's performance of the Work will be sublet, the undersigned shall attached a letter on its letterhead describing and explaining the Work to be sublet.

I do solemnly declare and affirm under penalties of perjury that the contents herein are, to the best of my knowledge, information and belief, the facts and representations contained herein are true, and no material facts have been omitted, and that I am authorized on behalf of the Design-Builder to make this affidavit, and will execute a formal agreement for the Work with the listed MBE/WBE firms upon execution of the Design-Build Agreement with the PBC.

CHARLES FREINER
Print Name of Authorized Representative

VICE PRESIDENT / AGENT
Title

Charles Freiner
Signature

8/7/13
Date

Designated Design-Builder MBE/WBE Contact Name

MBE/WBE Contact Phone

MBE/WBE Contact Email

State of IL)
County of Cook) SS.

On this 7th day of Aug, 2013, the above named authorized representative personally appeared and known by me to be the person described in the foregoing acknowledged that (s)he executed the same in the capacity stated therein and for the purposes set forth therein. IN WITNESS WHEREOF, I hereunto set my hand and seal:

Lisa W Bucher
Notary Public Signature

Seal:

OFFICIAL SEAL
LISA W BUCHER
Notary Public - State of Illinois
My Commission Expires Jun 4, 2017

This submittal of the schedule D represents the commitment amounts available after the large, late scope reductions for these schools. The significant reductions directly affected the previously committed to MBE and WBE subcontractors. Paschen Milhouse worked to replace those amounts as best as possible given the stage of the project when the deletions occurred.

SCHEDULE D - MINORITY/WOMAN BUSINESS ENTERPRISE UTILIZATION PLAN
PUBLIC BUILDING COMMISSION OF CHICAGO

THIS FORM SHALL BE FULLY INCORPORATED AS PART OF YOUR DESIGN-BUILD GUARANTEED MAXIMUM COST PROPOSAL AND AGREEMENT FOR THE 2013 SCHOOL INVESTMENT PROGRAM ("SIP"). ANY CHANGES TO THE MINORITY BUSINESS ENTERPRISE ("MBE") OR THE WOMAN BUSINESS ENTERPRISE ("WBE") (collectively, "MBE/WBE") UTILIZATION PLAN IS SUBJECT TO THE TERMS SET FORTH IN THE AGREEMENT AND BE APPROVED BY THE PUBLIC BUILDING COMMISSION ("PBC").

DESIGN-BUILDER: Paschen MilhousePROJECT NO.: 06

STATE LINE [5] (COST OF THE WORK) FROM YOUR REVISED GMP PROPOSAL:

\$ 5,862,591.00

The undersigned duly authorized representative of the above named Design-Builder has: personally reviewed this Schedule D-Minority/Woman Business Enterprise Utilization Plan to achieve the MBE/WBE goals established by the PBC, specifically a minimum of 30 percent of the total Cost of the Work to be allocated to MBE firms and 5 percent of the total Cost of the Work to be allocated to WBE firms; states the following MBE/WBE firms will participate in the performance of the Work to the extent of the dollar amount listed below; and also affirms, and has included Letter(s) of Certification, that the MBE/WBE firms have been certified as such by the City of Chicago or the County of Cook.

MBE/WBE FIRM	TYPE OF WORK	AMOUNT OF PARTICIPATION	
		MBE (\$)	WBE (\$)
Affordable Comfort Construction HVAC	HVAC	81,950	
HYDRO-THERMO-POWER	DESIGN WORK		23,000-
RHL INSULATION	INSULATION		20,000-
2nd FLOOR B. DRAGE			
	PAGE 3 TOTAL	81,950.00	43,000
	" 2 TOTAL	573,123.00	181,061
	PAGE 1 TOTAL	988,765.00	175,759
	TOTALS:	1,543,838-	368,820-
	COMMITMENT PERCENTAGE AS COST OF THE WORK:	28.7%	6.37%

If any part of the stated MBE/WBE firm's performance of the Work will be sublet, the undersigned shall attached a letter on its letterhead describing and explaining the Work to be sublet.

I do solemnly declare and affirm under penalties of perjury that the contents herein are, to the best of my knowledge, information and belief, the facts and representations contained herein are true, and no material facts have been omitted, and that I am authorized on behalf of the Design-Builder to make this affidavit, and will execute a formal agreement for the Work with the listed MBE/WBE firms upon execution of the Design-Build Agreement with the PBC.

CHARLES FREIHART
Print Name of Authorized Representative

VICE PRESIDENT / ASST
Title

[Signature]
Signature

8/7/13
Date

Designated Design-Builder MBE/WBE Contact Name

MBE/WBE Contact Phone

MBE/WBE Contact Email

State of IL)
County of Cook) SS.

On this 7th day of May, 2013, the above named authorized representative personally appeared and known by me to be the person described in the foregoing acknowledged that (s)he executed the same in the capacity stated therein and for the purposes set forth therein. IN WITNESS WHEREOF, I hereunto set my hand and seal:

[Signature]
Notary Public Signature

Seal:

OFFICIAL SEAL
LISA W BUCHER
Notary Public - State of Illinois
My Commission Expires Jun 4, 2017

This submittal of the schedule D represents the commitment amounts available after the design scope reductions for these schools. The significant reductions directly affected the previously committed to MBE and WBE subcontractors. Paschen Milhouse worked to replace those amounts as best as possible given the stage of the project when the deletions occurred.

EXHIBIT 13 – DISCLOSURE AFFIDAVIT

AS SUBMITTED FROM INITIAL RFP

SECTION VI – DISCLOSURE AFFIDAVIT

NAME OF DESIGN-BUILD ENTITY	F.H.Paschen, S.N.Nielsen & Associates LLC as part of Paschen Milhouse Joint Venture
CONTACT PERSON	Joseph V. Scarpelli
ADDRESS	5515 N. East River Road
CITY, STATE, AND ZIP CODE	Chicago, IL 60656
TELEPHONE NUMBER	773-444-3474
FAX NUMBER	773-693-0064
E-MAIL ADDRESS	jscarpelli@fhpaschen.com

(1) DISCLOSURE OF OWNERSHIP INTERESTS

Pursuant to Resolution No. 5371 of the Board of Commissioners of the Public Building Commission of Chicago, Proposer shall provide the following information. If the question is not applicable, answer "NA". If the answer is none, please answer "none".

Respondent is a:

A. ☐ Corporation

B. ☐ Joint Venture

C. ☒ LLC or Other

Please complete the applicable corresponding section below.

A. CORPORATIONS

State of Incorporation: _____

Authorized to do business in the State of Illinois: Yes ☐ No ☐

Names of all officers of corporation (complete or attach list):

Names:

Titles:

Names of all directors of corporation (complete or attach list):

- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated above; and
- 4) Have not within a three-year period preceding this bid or proposal had one or more public transactions (federal, state or local) terminated for cause or default.

b. **CONSULTANTS & SUBCONTRACTORS**

The Proposer has obtained from all subcontractors being used in the performance of this contract or agreement, known by the Proposer at this time, disclosures substantially in the form of Section 1, and certifications substantially in the form of Section 2, of this Disclosure Affidavit. Based on such disclosures and certification(s), and any other information known or obtained by the Proposer, is not aware of any such subcontractor or subcontractor's affiliated entity or any agent, partner, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct describe herein of this certification; (b) bid-rigging, bid-rotating, or any similar offense of any state or the United States which contains the same elements as bid-rigging or bid-rotating, or having made an admission of guilt of the conduct described herein or (b) which is matter of record but has/have not been prosecuted for such conduct.

The Proposer will, prior to using them as subcontractors, obtain from all subcontractors to be used in the performance of this contract or agreement, but not yet known by the Proposer at this time, certifications substantially in the form of this certification. The Proposer shall not, without the prior written permission of the Commission, use any of such subcontractors in the performance of this contract if the Proposer or, based on such certifications or any other information known or obtained by Proposer, became aware of such subcontractor, subcontractor's affiliated entity or any agent, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct described herein of this certification or (b) bid-rigging, bid-rotating or any similar offenses of any state or the United States which contains the same elements as bid-rigging or bid-rotating or having made an admission of guilt of the conduct described herein or (b) which is a matter of record but has/have not been prosecuted for such conduct. The Proposer shall cause such subcontractors to certify as such. In the event any subcontractor is unable to certify,, such subcontractor shall attach an explanation to the certification.

For all subcontractors to be used in the performance of this contract or agreement, the Proposer shall maintain for the duration of the contract all subcontractors' certifications required above, and Proposer shall make such certifications promptly available to the Public Building Commission of Chicago upon request.

The Proposer will not, without the prior written consent of the Public Building Commission of Chicago, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Proposer is unable to obtain a certification substantially in the form of this certification.

The Proposer hereby agrees, if the Public Building Commission of Chicago so demands, to terminate its subcontract with any subcontract if such subcontractor was ineligible at the time that the subcontract was entered into for award of such subcontract. The Proposer shall insert adequate provisions in all subcontracts to allow it to terminate such subcontract as required by this certification.

c. STATE TAX DELINQUENCIES

The Proposer is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, the Proposer is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.

Alternatively, the Proposer has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

If the Proposer is unable to certify to any of the above statements, the Proposer shall attach an explanation or explain below.

NA

If the letters "NA", the word "None" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

If any subcontractors are to be used in the performance of this contract or agreement, the Proposer shall cause such subcontractors to certify the same as of this certification. In the event that any subcontractor is unable to certify to any of the statements in this certification, such subcontractor shall attach an explanation to this certification.

d. OTHER TAXES/FEEES

The Proposer is not delinquent in paying any fine, fee, tax or other charge owed to the City of Chicago.

If Proposer is unable to certify to the above statement, Proposer shall explain below and attach additional sheets if necessary.

NA

If the letters "NA", the word "None" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

e. PUNISHMENT

A Proposer who makes a false statement on this certification commits a Class 3 felony. 720 ILCS 5/33E-11(b).

f. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

The Proposer is not a party to any pending lawsuits against the Chicago Board of Education, the City of Chicago or the Public Building Commission of Chicago nor has Proposer been sued by the City of Chicago or the Public Building Commission of Chicago in any judicial or administrative proceeding.

If the Proposer cannot certify to the above, provide the (1) case name; (2) docket number; (3) court in which the action is or was pending; and (4) a brief description of each such judicial or administrative proceeding. Attach additional sheets if necessary.

NA

If the letters "NA", the word "None" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

g. CERTIFICATION OF ENVIRONMENTAL COMPLIANCE

Neither the Proposer nor any affiliated entity of the Proposer has, during a period of five years prior to the date of execution of this Affidavit: (1) violated or engaged in any conduct which violated federal, state or local Environmental Restriction, (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from any federal, state or local agency exercising executive, legislative, judicial, regulatory or administrative functions relating to a violation or alleged violation of any federal, state or local statute, regulation or other Environmental Restriction; or (3) been subject to any fine or penalty of any nature for failure to comply with any federal, state or local statute, regulation or other Environmental Restriction.

If the Proposer cannot make the certification contained herein, identify any exceptions:

NA

(Attach additional pages of explanation to this Disclosure Affidavit, if necessary.)

If the letters "NA", the word "None" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

Without the prior written consent of the Public Building Commission of Chicago, Proposer will not employ any subcontractor in connection with the contract or proposal to which this Affidavit pertains without obtaining from such subcontractor a certification similar in form and substance to the certification contained in Paragraph A of this Section III prior to such subcontractor's performance of any work or services or furnishing any goods, supplies or materials of any kind under the proposal or the contract to which this Affidavit pertains.

Until completion of the Contract's performance under the proposal or contract to which this Affidavit pertains, the Proposer will not violate any federal, state or local statute, regulation or other Environmental Restriction, whether in the performance of such contract or otherwise.

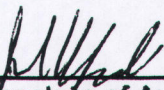
h. INCORPORATION INTO CONTRACT AND COMPLIANCE

The above certification shall become part of any contract awarded to the Proposer set forth on page 1 of this Disclosure Affidavit and are a material inducement to the Public Building Commission of Chicago's execution of the contract, contract modification or contract amendment with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Proposer. Furthermore, Proposer shall comply with these certifications during the term and/or performance of the contract.

F.H.Paschen, S.N.Nielsen & Associates LLC

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Proposer set forth herein, that I have personal knowledge of all the certifications made herein and that the same are true.

The Proposer must report any change in any of the facts stated in this Affidavit to the Public Building Commission of Chicago within 14 days of the effective date of such change by completing and submitting a new Disclosure Affidavit. Failure to comply with this requirement is grounds for your firm to be deemed non-qualified to do business with the PBC. Deliver any such new Disclosure Affidavit to: Public Building Commission of Chicago, Deputy Director of Procurement, 50 W. Washington, Room 200, Chicago, IL 60602.


Signature of Authorized Officer

Joseph V. Scarpelli

Name of Authorized Officer (Print or Type)

Agent//Executive Vice President

Title

773.444.3474

Telephone Number

State of Illinois

County of Cook

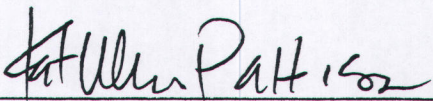
Signed and sworn to before me on this 30 day of April, 2013 by

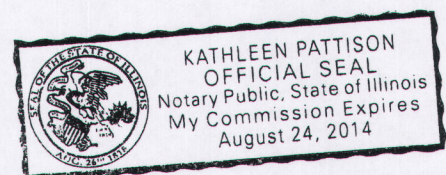
Joseph V. Scarpelli

(Name) as Agent/Executive Vice President (Title) of

F.H.Paschen, S.N.Nielsen & Associates LLC

(Bidder/Proposer or Contractor)


Notary Public Signature and Seal



Section VI Disclosure Affidavit

C. LLCs and Other Commercial Organizations

Name	Address	Interest
Frank H. Paschen	5515 N. East River Road, Chicago, IL 60656	74.0
James V. Blair	5515 N. East River Road, Chicago, IL 60656	10.0
William M. Barkowski	5515 N. East River Road, Chicago, IL 60656	4.0
Frank H. Paschen III	5515 N. East River Road, Chicago, IL 60656	4.0
Joseph V. Scarpelli	5515 N. East River Road, Chicago, IL 60656	4.0
Robert F. Zitek	5515 N. East River Road, Chicago, IL 60656	4.0

10/18/11

SECTION VI – DISCLOSURE AFFIDAVIT

PROPOSER INFORMATION	
NAME OF DESIGN-BUILD ENTITY	Milhouse Construction, Inc. as part of Paschen Milhouse Joint Venture
CONTACT PERSON	Wilbur C. Milhouse III
ADDRESS	60 East Van Buren Street, Suite 1501
CITY, STATE, AND ZIP CODE	Chicago, Illinois 60612
TELEPHONE NUMBER	312.987.0061
FAX NUMBER	312.987.0071
E-MAIL ADDRESS	wmilhouse@milhouseinc.com

(1) DISCLOSURE OF OWNERSHIP INTERESTS

Pursuant to Resolution No. 5371 of the Board of Commissioners of the Public Building Commission of Chicago, Proposer shall provide the following information. If the question is not applicable, answer "NA". If the answer is none, please answer "none".

Respondent is a: A. ☒ Corporation
 B. ☐ Joint Venture
 C. ☐ LLC or Other

Please complete the applicable corresponding section below.

A. CORPORATIONS

State of Incorporation: Illinois

Authorized to do business in the State of Illinois: Yes ☒ No ☐

Names of all officers of corporation (complete or attach list):

Names:	Titles:
Wilbur C. Milhouse, III	President/CEO
_____	_____
_____	_____
_____	_____

Names of all directors of corporation (complete or attach list):

Is the corporation owned partially or completely by one or more other corporations?
 Yes ☐ No ☒

If "yes" provide the above information, as applicable, for each such corporation.

Indicate here or attach a list names and addresses of all shareholders owning shares equal to or in excess of seven and one-half percent (7.5%) of the proportionate ownership of the corporation and indicate the percentage interest of each.

Names of Shareholders	Percent Interest Owned
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

B. JOINT VENTURES

If Proposer is a Joint Venture, name each venture partner and the percentage of each therein. Where venture party is Corporation or LLC or Other also provide information required above for Corporations or below for LLCs or Other.

Names of Venture partners	Percent Interest Owned
Milhouse Construction, Inc.	20 %
F H Paschen	80 %
_____	_____ %
_____	_____ %

C. LLCs and Other Commercial Organizations

If Proposer is a LLC or Other Commercial or Legal Entity, name each entity and each person with an ownership or other beneficial interest in the entity. Describe the interest of each party including any percentage ownership of each. Where any disclosed party is Corporation also provide information required above for Corporations.

Names	Interest Described and Percent Owned
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

(2) PROPOSER CERTIFICATION

a. PROPOSER

The Proposer, or any affiliated entities of the Proposer, or any responsible official thereof, or any other official, agent or employee of the Proposer, any such affiliated entity, acting pursuant to the direction or authorization of a responsible official thereof has not, during a period of three years prior to the date of execution of this certification:

Bribed or attempted to bribe, or been convicted of bribery or attempting to bribe a public officer or employee of the City of Chicago, the State of Illinois, any agency of the federal government or any state or local government in the United States (if an officer or employee, in that officer's or employee's official capacity); or

Agreed or colluded, or been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

Made an admission of such conduct as described above which is a matter of record but has not been prosecuted for such conduct.

The Proposer or agent, partner, employee or officer of the Proposer is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rigging in violation of Section 3 of Article 33E of the Illinois Criminal Code of 1961, as amended (720 ILCS 5/33E-3), or any similar offense of any state or the United States which contains the same elements as the offense of bid-rigging during a period of five years prior to the date of submittal of this bid, proposal or response.

The Proposer or any agent, partner, employee, or officer of the Proposer is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rotating in violation of Section 4 of Article 33E of the Illinois Criminal Code of 1961, as amended (720 ILCS 5/33E-4), or any similar offense of any state or the United States which contains the same elements as the offense of bid-rotating.

The Proposer understands and will abide by all provisions of Chapter 2-56 of the Municipal Code entitled "Office of the Inspector General" and all provisions of the Public Building Commission Code of Ethics Resolution No.5339, as amended by Resolution No. 5371.

The Proposer certifies to the best of its knowledge and belief, that it and its principals:

- 1) Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal, state or local department or agency.
- 2) Have not within a three-year period preceding this bid or proposal been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records; making false statements; or receiving stolen property;

- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated above; and
- 4) Have not within a three-year period preceding this bid or proposal had one or more public transactions (federal, state or local) terminated for cause or default.

b. CONSULTANTS & SUBCONTRACTORS

The Proposer has obtained from all subcontractors being used in the performance of this contract or agreement, known by the Proposer at this time, disclosures substantially in the form of Section 1, and certifications substantially in the form of Section 2, of this Disclosure Affidavit. Based on such disclosures and certification(s), and any other information known or obtained by the Proposer, is not aware of any such subcontractor or subcontractor's affiliated entity or any agent, partner, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct describe herein of this certification; (b) bid-rigging, bid-rotating, or any similar offense of any state or the United States which contains the same elements as bid-rigging or bid-rotating, or having made an admission of guilt of the conduct described herein or (b) which is matter of record but has/have not been prosecuted for such conduct.

The Proposer will, prior to using them as subcontractors, obtain from all subcontractors to be used in the performance of this contract or agreement, but not yet known by the Proposer at this time, certifications substantially in the form of this certification. The Proposer shall not, without the prior written permission of the Commission, use any of such subcontractors in the performance of this contract if the Proposer or, based on such certifications or any other information known or obtained by Proposer, became aware of such subcontractor, subcontractor's affiliated entity or any agent, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct described herein of this certification or (b) bid-rigging, bid-rotating or any similar offenses of any state or the United States which contains the same elements as bid-rigging or bid-rotating or having made an admission of guilt of the conduct described herein or (b) which is a matter of record but has/have not been prosecuted for such conduct. The Proposer shall cause such subcontractors to certify as such. In the event any subcontractor is unable to certify,, such subcontractor shall attach an explanation to the certification.

For all subcontractors to be used in the performance of this contract or agreement, the Proposer shall maintain for the duration of the contract all subcontractors' certifications required above, and Proposer shall make such certifications promptly available to the Public Building Commission of Chicago upon request.

The Proposer will not, without the prior written consent of the Public Building Commission of Chicago, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Proposer is unable to obtain a certification substantially in the form of this certification.

The Proposer hereby agrees, if the Public Building Commission of Chicago so demands, to terminate its subcontractor with any subcontract if such subcontractor was ineligible at the time that the subcontract was entered into for award of such subcontract. The Proposer shall insert adequate provisions in all subcontracts to allow it to terminate such subcontract as required by this certification.

c. STATE TAX DELINQUENCIES

The Proposer is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, the Proposer is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.

Alternatively, the Proposer has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

If the Proposer is unable to certify to any of the above statements, the Proposer shall attach an explanation or explain below.

NA

If the letters "NA", the word "None" or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

If any subcontractors are to be used in the performance of this contract or agreement, the Proposer shall cause such subcontractors to certify the same as of this certification. In the event that any subcontractor is unable to certify to any of the statements in this certification, such subcontractor shall attach an explanation to this certification.

d. OTHER TAXES/FEES

The Proposer is not delinquent in paying any fine, fee, tax or other charge owed to the City of Chicago.

If Proposer is unable to certify to the above statement, Proposer shall explain below and attach additional sheets if necessary.

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e. PUNISHMENT

A Proposer who makes a false statement on this certification commits a Class 3 felony. 720 ILCS 5/33E-11(b).

f. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

The Proposer is not a party to any pending lawsuits against the Chicago Board of Education, the City of Chicago or the Public Building Commission of Chicago nor has Proposer been sued by the City of Chicago or the Public Building Commission of Chicago in any judicial or administrative proceeding.

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g. CERTIFICATION OF ENVIRONMENTAL COMPLIANCE

Neither the Proposer nor any affiliated entity of the Proposer has, during a period of five years prior to the date of execution of this Affidavit: (1) violated or engaged in any conduct which violated federal, state or local Environmental Restriction, (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from any federal, state or local agency exercising executive, legislative, judicial, regulatory or administrative functions relating to a violation or alleged violation of any federal, state or local statute, regulation or other Environmental Restriction; or (3) been subject to any fine or penalty of any nature for failure to comply with any federal, state or local statute, regulation or other Environmental Restriction.

If the Proposer cannot make the certification contained herein, identify any exceptions:

NA

(Attach additional pages of explanation to this Disclosure Affidavit, if necessary.)

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Without the prior written consent of the Public Building Commission of Chicago, Proposer will not employ any subcontractor in connection with the contract or proposal to which this Affidavit pertains without obtaining from such subcontractor a certification similar in form and substance to the certification contained in Paragraph A of this Section III prior to such subcontractor's performance of any work or services or furnishing any goods, supplies or materials of any kind under the proposal or the contract to which this Affidavit pertains.

Until completion of the Contract's performance under the proposal or contract to which this Affidavit pertains, the Proposer will not violate any federal, state or local statute, regulation or other Environmental Restriction, whether in the performance of such contract or otherwise.

h. INCORPORATION INTO CONTRACT AND COMPLIANCE

The above certification shall become part of any contract awarded to the Proposer set forth on page 1 of this Disclosure Affidavit and are a material inducement to the Public Building Commission of Chicago's execution of the contract, contract modification or contract amendment with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Proposer. Furthermore, Proposer shall comply with these certifications during the term and/or performance of the contract.

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Proposer set forth herein, that I have personal knowledge of all the certifications made herein and that the same are true.

The Proposer must report any change in any of the facts stated in this Affidavit to the Public Building Commission of Chicago within 14 days of the effective date of such change by completing and submitting a new Disclosure Affidavit. Failure to comply with this requirement is grounds for your firm to be deemed non-qualified to do business with the PBC. Deliver any such new Disclosure Affidavit to: Public Building Commission of Chicago, Deputy Director of Procurement, 50 W. Washington, Room 200, Chicago, IL 60602.

Wilbur C. Milhouse III

Signature of Authorized Officer

Wilbur C. Milhouse III

Name of Authorized Officer (Print or Type)

Principal / CEO

Title

312.987.0061

Telephone Number

State of Illinois

County of Cook

Signed and sworn to before me on this 24 day of April, 20 12 by

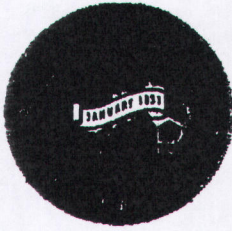
Wilbur C. Milhouse III (Name) as Principal / CEO (Title) of

Milhouse Engineering & Construction, Inc. (Bidder/Proposer or Contractor)

Olga Benkart

Notary Public Signature and Seal





Office of the Cook County Clerk
David Orr, County Clerk

Assumed Name Unit
Vital Statistics
P.O. Box 642570
Chicago, Illinois 60664-2570
(312) 603-5652

COPY OF LEGAL NOTICE TO BE PUBLISHED

Notice is hereby given, pursuant to "An Act in relation to the use of an Assumed Business Name in the conduct or transaction of Business in the State," as amended, that a certification was filed by the undersigned with the County Clerk of Cook County.

FILE NO. D13134217 on the APR 23 2013
(to be inserted by the County Clerk)

Under the Assumed Name of Paschen Milhouse Joint Venture

with the business located at 5515 N. East River Road, Chicago, Illinois 60656

The true name(s) and residence address of the owner(s) is:

F.H. Paschen, S.N. Nielsen & Associates LLC - 5515 N. East River Road, Chicago, Illinois 60656

Milhouse Construction, Inc.- 60 E. Van Buren Street, Ste. 1501, Chicago, Illinois 60612

AB3

CERTIFICATE ON FILE
WITH THE COUNTY CLERK

DATE APR 23 2013

CERT No.: D13134217

118 N. Clark Street, Lower Level, Chicago, Illinois 60602

JOINT VENTURE AGREEMENT

This Joint Venture Agreement (the "Agreement") is executed this 17th day of April 2013, by and between F.H. Paschen, S.N. Nielsen & Associates LLC ("FHP"), an Illinois Limited Liability company, having its principal place of business at 5515 N. East River Road, Chicago, IL 60656 and Milhouse Construction, Inc. ("MCI"), an Illinois Incorporated Company, having its principal place of business at 60 E. Van Buren St., STE 1501, Illinois 60605, shall collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Public Building Commission (the "Owner"), has solicited bids for a construction project known as 2013 School Investment Program Request for Proposals ("RFP") for Design-Build Services (hereinafter referred to as the "Project"); and

WHEREAS, the Parties desire to associate with one another as joint venturers for the purpose of (i) preparing and submitting to the Owner a Proposal and Bid (hereinafter collectively referred to herein as the "Proposal and Bid") for the award of the Project and, (ii) if successful, to construct the Project pursuant to the terms of a Contract with the Owner (the "Contract"); and

WHEREAS, in connection with the Proposal and Bid, and the Contract if the Proposal and Bid is accepted by the Owner, the Parties hereto desire to describe, define and agree upon their respective duties, rights, interest and obligations as between themselves with respect to the Bid issued by the Joint Venture to the Owner and/or the Contract if awarded by the Owner to the Joint Venture.

NOW THEREFORE, in consideration of the mutual promises and agreements herein given to one another, the Parties forming this Joint Venture agree as follows:

1. Formation, Purpose and Scope:

The Parties hereto associate themselves as a Joint Venture for the sole and limited purpose of: (a) preparing and submitting one Proposal and Bid to the Owner for award of the Project Contract and for (b) executing, carrying out and performing the Contract to be entered into with the Owner if awarded to the Joint Venture. This Joint Venture is limited to the Proposal and Bid and Contract work for the Project. Each of the respective Parties to this Agreement may otherwise carry on its separate business for its sole benefit.

2. Name and Location:

The name of this Joint Venture shall be Paschen Milhouse Joint Venture (hereinafter the "Joint Venture"). The initial principal place of business of the Joint Venture shall be 5515 N. East River Road, Chicago, Illinois 60656 subject to relocation at the sole discretion of the Managing Party (as designated herein).

3. Relationship of the Parties:

3.1 Nothing contained in this Agreement shall be construed to create a partnership between the Parties or give rise to any agency relationship other than as specifically set forth in this Agreement for performance of the Contract. The Parties hereto shall be joint venturers only with respect to preparation and submission of the Proposal and Bid and the performance of the Contract, and nothing contained in this Agreement shall render any Party liable for any debts or obligations unrelated to the Joint Venture.

3.2 This Joint Venture Agreement shall continue in effect until terminated pursuant to Section 23 of this Agreement.

3.3 Nothing contained in this Agreement shall create or be interpreted or construed so as to create any permanent relationship between the Parties hereto or limit their respective rights to carry on their individual businesses for their own respective benefit, including other work for the Owner which does not relate to the Project.

4. Interest of the Parties/Division of Responsibility of the Work:

4.1 Except as may otherwise be provided herein, each Party shall be entitled to those interest and shares in and to the Joint Venture and its assets and property, and any revenues, profits, losses, liabilities and tax benefits which may be derived from the performance of the Contract, and shall be responsible as among the Parties for those obligations and liabilities in connection with the Contract, and with respect to any and all obligations and liabilities of the Joint Venture in connection therewith shall be in the following percentages:

FHP	80%
MCI	20%

FHP shall be the "Managing Party" as the term is used herein.

4.2 If the Contract is awarded by the Owner, as between themselves, FHP shall undertake and be fully responsible for the work and shall undertake and be fully responsible for the work to be determined by and between the Parties at the finalization of negotiations of the Contract with the Owner and pursuant to the to be prepared Schedule B, made a part hereof by reference. As provided herein, the respective Party shall furnish the staff and labor required to perform their portion of the Contract work as determined by the Management Committee and Schedule B. Such labor shall be in accordance with the terms of any applicable collective bargaining agreement(s).

4.3 Each Party shall be reimbursed for all Joint Venture authorized expenses incurred in providing said labor as outlined in the attached Schedule B, as approved by the Managing Party and the Management Committee. The reimbursement as outlined in the attached Schedule B, shall include salaries, insurance, employee benefits, worker's compensation insurance, and other related employment taxes levied by Federal, State or local authorities. There shall be no mark-up as to any costs incurred by either Party and charged to the Joint Venture as the profits will be split as provided herein, including, without limitation, Paragraph 4.1.

5. Best Efforts:

Each Party hereto shall use its best efforts to carry out the purposes of this Agreement to cooperate with the other Party fully and to attend all meetings of the Joint Venture and management Committee to the end that the business affairs of the Joint Venture shall be conducted in an orderly and businesslike manner. In no event shall the existence of any dispute excuse any Party from the full and faithful performance of this Agreement.

6. Pre-Proposal/Bid, Pre-Award and Initial Award Considerations:

6.1 FHP shall coordinate the preparation of the Proposal and Bid with appropriate input from MCI. The Parties hereby agree to submit a Proposal and Bid to the Owner's specifications in an amount and on terms mutually agreeable to the Parties prior to its submission. Approval of the Contract price and terms and conditions shall be by both parties and will be evidenced by execution of the contract on behalf of each Party hereto. Should the Parties fail to agree as to the terms and conditions of the Proposal or bid, the Joint Venture and this Agreement shall terminate, subject to the rights and obligations to the Parties which may have accrued prior to such termination.

6.2 If at any time prior to the actual submission of the Proposal or bid to the Owner any Party may withdraw and be under no further obligation hereunder. Upon the withdrawal by one Party the other Party may submit a Project Bid alone, or in conjunction with another third party, without any obligation to the withdrawing Party. In this event, the remaining Party must provide its own Payment and Performance Bond. In addition, if the Proposal and Bid of the Parties as submitted to the Owner is unsuccessful, any Party hereto may perform work for this Project only with the prior written consent of the other Party.

6.3 Any negotiations between the Parties and the Owner or between the Parties and the sureties, if any, subsequent to the submission of the Proposal and Bid, but prior to any Contract award, shall be conducted by the Parties jointly.

6.4 All pre-Proposal and Bid costs shall be the sole cost and expense of the Party incurring same and shall not be considered a cost of the work pursuant to the Contract or an obligation of the Joint Venture.

6.5 The Joint Venture and this Agreement shall be null and void if the Joint Venture is not awarded the Project Contract by the Owner subject only to any costs and expenses jointly incurred by the Parties hereto.

6.6 If awarded the Contract, the Parties shall jointly and severally execute the Contract and all bonds which may be required by the Contract and each shall cause the execution and delivery of corporate indemnity agreements as required by any surety or as required by the managing Party from time to time. All bonds and insurance which may be required by the Bid, Contract or this Agreement shall be provided as contained therein and herein.

7. Indemnification:

7.1 Except as otherwise expressly contained herein, each party agrees to indemnify, defend and hold harmless the Joint Venture and the other Party from and against all claims, damages, losses and expenses, including but not limited to attorney's fees and costs, arising from or attributable to performance of work by said party on the Project to the extent such are caused in whole or in part by any negligent act or omission of said party, anyone directly or indirectly employed by said Party or anyone for whose acts said Party may be liable, regardless of whether such claims, damages, losses and expenses are caused in small part by the party indemnified hereunder.

7.2 Notwithstanding any of the foregoing, no Party shall be entitled to indemnification from the other Party for the Wrongful Actions, negligence or intentional misconduct of said party. Wrongful Actions shall mean actions that constitute fraud, bad faith, willful violation of this Agreement or willful violation of law.

8. Insurance:

8.1 The Management Committee shall determine the amount, type and limits of insurance coverage needed to protect the Joint Venture and the Parties hereto against any risk of loss that will be assumed or required under the Contract and this Agreement. The responsibility for obtaining, and paying costs for all required and necessary Contract insurance shall be borne by the Joint Venture, or each party hereto, as provided and listed on the attached Schedule A.

8.2 As applicable, the parties hereto shall name as an "additional insured" the Joint Venture, the Parties hereto, the owner and others as required by the Contract on all insurance required as provided in Schedule A.

8.3 All insurers contemplated herein and on the attached Schedule A shall be required to waive all rights of subrogation against any or all of the Parties hereto including the Joint Venture, or their officers, employees, representatives, agents, parents, subsidiaries, affiliates or surety company or companies.

8.4 Prior to commencement of the Contract, each Party shall provide the other Party copies of its policies or certificates of insurance, or other required evidence, setting forth the insurance policies obtained and the extent of coverage of each policy as required on Schedule A.

9. **Contract Bond(s):**

9.1 If the Managing Party obtains the Contract Bonds, specifically, but not limited to performance bonds, payment bonds, street use bonds, right of way bonds and other such bonds as may be required of the Joint Venture by the Owner. The Managing Party will charge the Joint Venture 1.5% of the gross revenues for the expense of the Contract Bonds.

9.2 Each Party hereto shall execute the Contract Bonds which may be procured from a surety, or sureties who shall become co-sureties on the on the said bonds. Each Party will execute indemnity agreements and furnish documents reasonable required by the surety(s).

9.3 Any additional bond charges or expenses accruing as a result of change orders will be a cost of the work to be paid by the Joint Venture and billed to the Owner.

9.4 At the Managing Party's discretion and direction, any non- Joint Venture Party performing work for the Joint Venture as a subcontractor shall be required to furnish a Performance Bond and a Labor and Material Bond each in the amount of 100% of the subcontract amount. These bonds must be executed by a corporate surety with an A.M. best rating of "A-," or better, licensed in the appropriate jurisdiction where the work is to be performed, and listed in the current U.S. Department of Treasury Circular 570 with an underwriting limitation of \$5 million or consistent with the face amount of the bonds, whichever is greater. The premium for providing these bonds must be included in the subcontract amount.

9.5 All Bonds shall be provided on an AIA bond form or another form acceptable to the Joint Venture. All bond forms shall be accompanied by an appropriate power of attorney from the surety.

9.6 All bonds shall be furnished upon the earlier of the date of execution of the Agreement, the Contract with the Owner or commencement of any work by the Joint Venture on the Projects as the case may be or as required by the Contract.

9.7 The Joint Venture Parties acknowledge that the cost of all bond premiums has been included in the Contract price. Additional premiums for any increase in the contract price or any extension of the Contractor's work shall be included in the price of any change order for the Project or as provided in Paragraph 9.4 herein.

9.8 Notice of change, alteration or modification to the terms and conditions of this Agreement or the Contract with the Owner, shall not require notice to or consent from Surety(s), such notice and consent being hereby waived by the Surety(s) to whom a copy of this Agreement has been furnished by the Managing Party.

9.9 Any change in the Contract amount shall automatically result in a corresponding change in the penal amount of the Bonds without the consent of the Surety(s) obtained in advance.

9.10 In addition, each party hereto, at the request of the Management Committee, shall execute all applications and indemnity agreements required by the sureties, on any bond required in connection with the Contract with the Owner as previously agreed to by the Parties. Each party shall indemnify the other against any loss in connection with the Indemnity Agreements required by the sureties on any bond in excess of each party's proportionate share of such loss as contained in Paragraph 4.1.

10. Bank Account; Working Capital:

10.1 A bank account shall be opened at MB Financial Bank in the name of the Joint Venture and in which all capital, including capital contributions, all funds advanced for the performance of the Contract as well as all funds received by the Joint Venture from any source (including, but not limited to, payments from the Owner or otherwise received on account of the Contract) shall be deposited. This account shall be subject to the control of the management Committee. Signature requirements, deposits and withdrawals shall be made with respect to the bank account in such manner and in such form as the Management Committee determines from time to time. All invoices received by the Joint Venture and approved for payment by the Project Manager and/or the Management Committee as provided herein shall be paid on checks drawn on said bank account and signed by person(s) so authorized by the management committee to draw upon the funds of the Joint Venture.

10.2 The Management committee may cause funds of the Joint Venture to be invested as deemed appropriate by the Management Committee.

10.3 As and for the initial capital to be contributed by each party hereto the Parties hereto shall advance and pay into the Joint Venture bank account the following sums:

FHP	\$8,000
MCI	\$ 2,000

within seven (7) days after execution of the contract with the Owner.

10.4 Any additional working capital requirement(s) in addition to the initial working capital deposit listed in Paragraph 10.3 shall be determined by the management committee appointed in accordance with Paragraph 11 herein and, if required, the additional working capital shall be deposited by the party or Parties in their respective required shares within seven (7) days after notice thereof.

10.5 Failure of any Party to make its appropriate contribution of capital or additional capital shall constitute a default by such party. In the event either Party is unable to, or fails to or neglects to advance or contribute its proportionate share of the working capital required for the purpose of the Joint Venture or in performance of the contract, then the other Party may, but shall not be required to, advance the deficiency or any part thereof. Should the other Party advance such sum, the Party shall be entitled to a proportionately larger share of the profits of the Joint Venture so that any profits shall be divided between the Parties in the proportion in which they advance working capital even though, at a later date, the Party in default shall offer to make good or shall make good its default in advancing working capital. The Party failing to advance its share of working capital however, shall not be relieved of its obligations to share any loss arising from the Joint Venture.

10.6 All working capital advanced pursuant to paragraph 10.5 by the Non-Defaulting Party shall bear interest at a rate of 6 % per annum or 2% greater than the prime rate listed at MB Financial Bank whichever is higher, and shall be repaid to the Party advancing the same prior to the distribution of any profits. No part of any working capital advanced to the Joint Venture shall be returned to either Party prior to the completion of the Project except as may otherwise be mutually agreed upon by the Management Committee.

10.7 Except as otherwise provided herein, and at the discretion and direction of the Management Committee, all monies contributed by the Parties to this Joint Venture and all monies received as payments under the Contract or otherwise received shall be treated and regarded as and are declared to be, trust funds for the performance of the Contract and for no other purpose until the Contract shall have been fully completed and accepted by the owner and until all obligations of the Parties hereto shall have been paid, otherwise discharged, or provided for by adequate reserves. The reserves shall likewise be treated as trust funds until they have served the purposes for which they were created.

11. Management Committee:

11.1 All affairs of the Joint Venture, including without limitation the policies and procedures for the execution of Contract work, the review and supervision of the operation of the Joint Venture (including Project Schedule and Budget), the amount, manner and timing of the payments, disbursement of funds, need for capital, reserves, and contributions, securing of bonds and insurance, the prosecution, defense or settlement of third party claims or lawsuits by or against the Joint Venture arising out of performance of the Contract, or changes to the Joint Venture Agreement, as well as the determination of all policies connected with the purposes thereof, including but not limited to those involving the scope and performance of the Contract, and of a contractual nature with the Owner, or with third parties (including subcontractors), shall be under the supervision of the Management Committee (the "Management Committee").

11.2 The Management Committee shall consist of two members; one member (and two alternates) duly authorized, selected and appointed by FHP and one member (and an alternate) duly authorized, selected and appointed by the MCI. The representatives appointed by each

party shall be officers or senior level employees of their respective companies. Except as may be provided to the contrary, the Joint Venture shall be authorized to execute and deliver all legal and financial documents necessary to fulfill the purposes of this Joint Venture.

11.3 Upon the execution of this Agreement, the Management Committee shall consist of the following persons:

FHP: James V. Blair - Committee Member
Joseph V. Scarpelli – Alt. Committee Member
James B. Habschmidt – Alt. Committee Member

MCI: Wilbur C. Milhouse III, P.E. - Committee Member
Joseph Zurad - Alt. Committee Member

11.4 Each Party shall have one (1) vote with respect to all matters which come before the Management Committee and a quorum shall be comprised of two members – one from each Party. The salaries of each member of the Management Committee shall be borne by the respective Party appointing such member. The FHP representative shall be the Chairman of the Management Committee. All decisions, determinations, approvals, consents or other actions shall be determined by vote of the Management Committee but, in the event of a disagreement, by the Party holding the majority interest in the Joint Venture unless otherwise expressly provided in this Agreement.

11.5 Either Party may at any time and from time to time, change its representative(s) by filing with the other a written notice of a duly executed appointment of a new representative but until the appointment and filing of the notice, the actions of the representative shall be conclusively binding on the respective Party.

11.6 The Management Committee shall meet from time to time as required or deemed appropriate by the Chairman of the Management Committee, to act on necessary matters pertaining to the Project. All meetings shall be held at the offices of the Joint Venture or at the Project jobsite except as otherwise provided herein.

11.7 A meeting may also be conducted by telephone without prior notice in an emergency and/or used when such procedure would be expedient for matters needing prompt attention as determined by a Management Committee member.

12. Managing Party, Books and Records:

12.1 The general supervision and management of the work called for by the Contract and any and all matters relating thereto shall be under the charge and control of the Managing Party, subject to the controlling authority of the Management Committee as provided therein.

12.2 The Managing Party of this Joint Venture is hereby designated to be F. H. Paschen, S. N. Nielsen & Associates LLC(FHP). No management fee shall be paid to the Managing Party except for the following: an administration fee of \$2,500 shall be charged to the Joint Venture and paid by the Joint Venture to FHP for home office accounting and administrative tasks, home office computer costs for payroll, job reports and the like (hereinafter referred to as the "Administration Fee") and/or as otherwise provided in Paragraph 12.4. This Administration Fee shall be paid on a monthly basis. However, the Administration Fee due hereunder shall be made contingent upon payments being received from the Owner.

12.3 The Managing Party shall have the power to: (a) do or provide for the doing of all those acts or things necessary, or by it deemed necessary or desirable, in and about the performance of the Contract, and in and about the proper conduct of the Joint Venture created hereby; (b) to request the Parties to advance working capital as provided herein; (c) to request any party hereunder to provide the Party's audited Balance Sheet and Income Statement at such intervals as may be necessary, however any such information provided by the Party shall be maintained in strict confidence by the managing Party and the Joint Venture and shall in no event be disclosed to any other third party; (d) to receive all funds accruing to the Joint Venture, to deposit Joint Venture funds into the bank account(s) and to cause the same to be withdrawn with such signatories as the Parties hereto may agree upon; (e) after consultation with and approval by the management Committee, to negotiate and bind the Parties to such supplemental agreements, stipulations or adjustments with the owner concerning the Joint Venture and the Contract; (f) after consultation with and approval by the Management Committee, to negotiate and bind the Joint Venture in relation to any lessening, enlargement, alteration or modification of the nature, scope and extent of the work to be performed under the Contract, and to make or approve such adjustment of the Contract as it may believe desirable; (g) after consultation with and approval by the management committee, to execute and deliver purchase orders, rental agreements, subcontracts, and other agreements; and (h) to execute all Project documents except as otherwise provided herein.

12.4 Separate books of account for the Joint Venture and the performance of the contract, and all matters pertaining thereto, shall be kept and maintained by the Managing Party, FHP, at the main office of the Joint Venture. FHP shall also provide all financial services prescribed by the Management committee along with information technology and human resources support. An additional fee may be charged for the use of these services as determined by the Management Committee. The books of account and the prescribed methods of accounting for all matters relating to the affairs of the Joint Venture and the performance of the Contract shall be generally accepted accounting principles, and the percent complete method applicable under the circumstances and applied on a consistent basis. The Managing Party may at its discretion apply any risk reserves as a part of the contract's profit/loss projections. Each Party shall have the right at all reasonable times during usual business hours to inspect at the Joint Venture Office the books of account, contracts, vouchers and other data of the Joint Venture.

12.5 In addition, annual certified audits shall be prepared by a public accounting firm selected by the Managing Party, which may be the firm customarily used by FHP. The audits will be distributed to the Parties hereto within one hundred twenty (120) days after December 31. A final certified audit shall be prepared and distributed to both Parties at the completion of the

contract. Such accounting firm shall also prepare the income tax returns for the Joint Venture. The Managing Party shall be designated the Tax Matters Partner "TMP" pursuant to IRS Code IRC 6221. Any and all audit related expenses will be allocated to the Joint Venture by the Managing Party.

12.6 The Managing Party shall maintain adequate and complete records and books of account maintained on a calendar-year basis. The Managing Party shall prepare and submit monthly statements, cost reports, summaries and other financial data, in forms and at times specified by the management Committee. Such shall include, but not be limited to, the preparation and submission of monthly consolidated cost reports which shall contain the total Project costs incurred to date, with an itemized breakdown of such costs in comparison with amounts budgeted for same and specifying the percentage-of-completion for same.

12.7 All financial, technical and other records of the Joint Venture shall be kept and preserved as required by law and the Contract with the Owner, and for such longer periods and at such place or places as the Management Committee may designate. To the extent that the records of the Joint Venture must be kept subsequent to the completion of the Contract pursuant to the provisions of the law or as required by the owner's Contract, they shall be kept at such place or places as the Management Committee may from time to time determine and the cost shall be borne equally by the Parties.

13. Project Manager and Key Project Personnel:

13.1 Project Manager: Subject to Paragraphs 11 and 12, the general supervision and management for the work required by the Contract shall be under the general charge and control of the Project Manager. The Project Manager shall be appointed and may be removed by the Managing Party with the consent of the Management Committee and shall be given such powers, duties and responsibilities as may be required to enable him to properly perform the duties entrusted to him to the end that work may be performed properly and expeditiously. All determinations and actions by the Project Manager in any way connected with the prosecution and completion of the Contract shall be binding upon the Joint Venture and each Party thereto.

13.2 Key Project Personnel: Each Party shall make available to the Joint Venture key project personnel who shall not be withdrawn from the performance of the Contract without reasonable prior notice to the Project Manager and the Management Committee. Each Party will use its best efforts to replace personnel so withdrawn with personnel having like or greater experience and qualifications as the personnel so withdrawn.

14. Construction Costs; Subcontractors, Payments:

14.1 Subject to the provisions of the Contract as fully executed by the Joint Venture with the Owner, the Parties anticipate that the costs and expenses of the Joint Venture, including the costs of construction, shall consist of the costs to the Joint Venture of all salaries, craft wages, fringe benefits, subcontracts, labor, material, plant and equipment purchased or rented, bonds, insurance, taxes on labor and material, imports, charges, legal fees, audit costs, liabilities not secured by insurance and all other expenses and obligations incurred or suffered in and about the

performance of the Project of a nature which generally accepted accounting practices would be properly charged as a cost of the performance of the Contract.

14.2 Except as otherwise provided herein, including Paragraphs 12.2 and 12.4, costs and expenses of each Party chargeable to the Joint Venture shall be subject to prior determination, review and approval by the Management Committee.

14.3 Except as otherwise provided in this Agreement or as otherwise approved by the Parties, including without limitation paragraphs 12.2 and 12.4, such costs shall not include any charges against the Joint Venture for any overhead expenses or charges of the main or branch offices of the respective Parties or for the time which may be expended in connection with the work by any of the Parties or their officers or employees including charges for time travel or other expenses in connection with routine visits by any party's officers or home office or division-level executives.

14.4 The Management Committee may determine that the Joint Venture may be best served by the use of employees of a Party assigned to the Project on a temporary basis. These employees may, at the discretion of the Management Committee, remain employees of the Party, as the case may be, and the Joint Venture shall be charged at cost (or as otherwise determined to be reasonable by the Management Committee) for these employees' services, including workmen's compensation costs and/or, at the discretion of the Management Committee, the Joint Venture may employ Project labor personnel on the Joint Venture's payroll. Both Parties shall maintain separate books of account for all such employees which show actual expenses of the employees while performing services for the Joint Venture, the cost rate used to compensate the Party for the services provided by such employees and any other expenses or costs relating to the use of these employees or resources of the parties necessary to the employee's services. Such books and records shall be available for audit at any reasonable time and shall be retained for a period consistent with Paragraph 12.7 contained herein.

14.5 In addition to the foregoing, FHP may, at its sole discretion, and not as mandated herein, provide assistance to MCI to fulfill its Joint Venture and Project goals, including but not limited to management and technical assistance, project accounting and project and field management assistance.

14.6 It is further agreed between the Parties hereto that certain items of the Contract work or materials may be subcontracted in compliance with the rules and regulations of the owner and the terms of this Agreement. Any request to subcontract such work shall be submitted in the name of the Joint Venture for approval of the Owner, if necessary.

14.7 Nothing herein shall be construed as prohibiting any of the Parties hereto from acting as subcontractors to the Joint Venture under a subcontract agreement or otherwise.

14.8 Payments received by the Joint Venture for work performed pursuant to the Contract shall be utilized as determined by the Management committee and as provided herein.

14.9 Payment to any subcontractor, including any of the Parties hereto, shall be made only for work actually completed at the job site and/or for materials received and accepted at the job site and upon receipt of the funds payable by the owner. In no event shall any subcontract be made, or any payment be made to a Party hereto, which permits or involves payment in excess of monies actually received from the owner for the work so performed, or materials so supplied, unless payment is required by law or unless the Parties agree otherwise in writing.

14.10 The compensation of any Party hereto shall be as outlined in this Section 14 plus pursuant to their respective shares of Joint Venture assets and profits as determined by the result of reducing total compensation received from the Owner under the Contract by total Joint Venture expenses. Such profits shall be distributed in accordance with Paragraph 15 contained herein (Division and Distribution of Profits or Losses).

14.11 Equipment rented from either of the parties shall be listed and charged as a construction cost at the rates contained in the attached Schedule C and/or at market rates as determined by the Management Committee.

15. Division and Distribution of Profits and Losses:

15.1 Upon completion of the Project, or earlier at the Management committee's discretion, Joint Venture equipment and other property shall be disposed of and the values obtained shall be included in the funds to be used to pay obligations and distributed in accordance with provisions of this Paragraph 15.3.

15.2 If both Parties hereto determine at any time that funds on hand are more than reasonably required for the needs of the Joint Venture, distributions of such sums as are mutually agreeable may be made.

15.3 As soon as reasonably practical after the completion of the Contract, the capital contributions of each of the Parties and the assets and profits of the Joint Venture, which have theretofore been retained and not distributed by the Joint Venture, shall be used to pay all outstanding obligations and other indebtedness of the Joint Venture. Sufficient reserves, as determined by the management committee, shall be established for known or reasonably anticipated contingencies not theretofore discharged. Thereafter, any funds remaining in the bank account or accounts of the Joint Venture, or which shall be received by or for the account of the Joint Venture or which shall become available in any manner for distribution, shall be distributed to each of the Parties hereto in proportion to their respective share in the Joint Venture as determined in accordance with Paragraphs 4, 10.3, 14, and this Section 15 of this Agreement. When funds set aside as reserves are no longer required for such purposes such funds shall be similarly distributed. If necessary, the Management Committee may establish a fund to be used for Project punch list and/or warranties, either regular or extended. Any funds not used at the end of said warranty period shall be distributed to the Parties hereto in the amount of the prorated share.

15.4. In the event that at the conclusion of the Joint Venture and/or the Contract there is only a loss to be shared, the loss shall be shared by the Parties in the same proportion as provided

in Paragraphs 4.1 and 15.5 subject, however, to the provisions of Paragraph 16 (Limitation of Liability) and Paragraph 18 (Insolvency).

15.5 If one party has made greater contributions of capital which are to be treated as advances under Paragraph 9 and/or Paragraph 10, then after each party's share of the assets and profits or losses has been determined, such distributions shall be adjusted by:

- a) Decreasing the Defaulting Party's share and increasing the Non-Defaulting Party's share of the Joint Venture's assets and profits by the amount of such contribution plus interest prior to such distribution of assets and profits; or
- b) Increasing the Defaulting Party's share and decreasing the Non-Defaulting party's share of the Joint Venture's losses by the amount of such contributions plus interest prior to final distribution of such losses.

Should the adjustments occasioned by 15.5(a) or 15.5(b) exceed the share of the Defaulting Party, then the Defaulting Party shall, on written demand of the other Party, pay such insufficient amount to the Non-Defaulting Party.

15.6 In the event that, after completion of the Project and distribution of assets and profits or losses as provided in this Section 15, any claim shall be asserted or legal action commenced by the owner or any third party against the Joint Venture or one or more of the Parties hereto in connection with any matter arising under the Contract or associated with the Project, including but not limited to latent defects or personal injury claims, the provisions of this Agreement, including but not limited to Subsection 15.3 and 15.4, shall continue to apply with respect to such claim or action. The foregoing provisions of this Subsection 15.6 shall survive expiration and termination of this Agreement. Each party shall contribute, on call of the Managing Party, their proportionate share of ongoing expenses occurring after distribution. Default shall be treated as under the provisions contained herein relating to a defaulting Party.

15.7 Upon receipt of any Incentive Payment for Interim Completion resulting from the performance of the contract shall be distributed and divided between the Parties in accordance with its proportionate interest in the Joint Venture as provided in Paragraph 4.1.

15.8 Any Liquidated Damages charged for delay or otherwise resulting from the performance of the Contract, will be borne solely by the Party responsible for the liability assessed. In the event of mutual responsibility, the Liquidated Damages will be the responsibility of each Joint Venture Party in their prorated share as contained in Paragraph 4.1.

15.9 Any other Contract specific payment or penalty shall be distributed and divided between the Parties hereto as established in Paragraph 4.1.

16. Limitation of Liability:

16.1 In connection with any matter arising under the Contract, in no event shall any party be liable to the other Party or the Joint Venture for the acts or omissions of any of its officers, employees or agents, nor shall any duly authorized representative or alternate on the

Management Committee or the Project Manager be liable to any Party or the Joint Venture, except for direct (but not consequential) damages resulting from actual fraudulent, illegal or dishonest conduct and gross negligence.

16.2 In no event shall any party be liable to the other Party of the Joint Venture, in contract, tort or otherwise (including negligence, warranty and strict liability) for any special, indirect or consequential damages including, without limitation, loss of revenues or profits, cost of capital, loss of goodwill or similar damages, except as expressly provided herein.

16.3 If the Owner or any third party shall assert any claim or commence any legal action against one or more of the Parties or against the Joint Venture in connection with any matter arising under the Contract or associated with the Project, then each Party shall share all costs thereof (not covered by insurance purchased by the Joint Venture, any party hereto or the Owner) including but not limited to all damages, judgments, fees and expenses in proportion to its respective interest and share in the joint Venture as set forth in Paragraph 4.1, as adjusted by Paragraphs 10 and 15.

16.4 To the extent not covered by insurance for the Project obtained by the Joint Venture, its subcontractors or the Owner, each Party hereby agrees to hold harmless, indemnify, protect and defend the other Party against any and all liability and expenses, including reasonable attorneys' fees, in excess of each party's share of such liability and expense as provided in paragraph 4.1 as adjusted by Paragraphs 10 and 15 hereof and including all claims, suits, actions, damages, judgments or decrees by reason of any acts or forbearance to act on the part of the Project Manager or any employee of either Party or of reason or any person or persons or property being damaged or injured by the Joint Venture or any of its employees, agents, representatives, subcontractors or vendors, whether said liability or expense derives from negligence, gross negligence, contract or otherwise, so that such liability or expense is allocated between the Parties in the proportion provided in Paragraph 4.1 as adjusted by paragraphs 10 and 15.

16.5 If possible, any agreements to indemnify a surety company or surety companies shall be limited to and allocated in accordance with the percentage of total liability assumed by the Parties hereto.

17. Subcontracting and Assignment:

17.1 The Parties hereto contemplate that, unless otherwise determined by the Management Committee, all subcontracts and other agreements with respect to the services to be performed under the Contract shall be executed in the name of the Joint Venture.

17.2 Neither this Agreement nor any interest nor obligation of any Party, including any interest in funds belonging to or which may accrue to the Joint Venture, or any interest in any bank account of the Joint Venture, or in any property of any kind employed or used in connection with the Contract, may be assigned, pledged, transferred, borrowed, subcontracted or hypothecated by any Party without the prior written consent of the other Party.

17.3 Each party has entered into this Agreement in reliance upon the unique knowledge, experience and expertise of the other Party in the planning and implementation of construction of the Project, and each party hereby acknowledges that this Agreement creates a fiduciary relationship between the Parties hereto. Accordingly, neither of the Parties shall transfer, assign or otherwise convey its interest in the Joint Venture without the written consent of the other Party and the Parties agree that neither of them shall be required to accept performance under this Agreement from any person other than the other Party, including without limitation, any trustee of any Party appointed under the Bankruptcy Code, 11 U.S.C.S. 101 et seq., any Party as debtor-in-possession under the Bankruptcy Code, and any assignee of any such trustee or debtor-in-possession.

17.4 Each Party hereby grants to the other Party a lien upon its Interest in the Joint Venture as security for the performance of the obligations imposed by this Agreement and all costs, together with interest, chargeable to it. Each party shall have the right to bring any action or proceeding to enforce the performance of such obligations and the collection of such indebtedness on behalf of the Joint Venture with or without foreclosure of such liens.

18. Insolvency:

18.1 The inability of a party to meet its obligations under the Contract or this Agreement, the filing of a voluntary petition of bankruptcy, adjudication as bankrupt or insolvent, appointing of a receiver for all or substantially all of the assets, assignments for benefit of creditors, or any other proceeding for relief under the bankruptcy laws of the United States shall be deemed a default by the Party committing such act.

18.2 If the default is not cured or other arrangements made satisfactory to the Non-Defaulting Party within ten (10) business days of written notice of default given to the Defaulting Party by the Non-Defaulting Party, the interest of the Defaulting Party (the "Defaulting Party") in this Joint Venture shall terminate and be limited to the rights in and under this Joint Venture specifically set forth in this Agreement which accrued up to such termination. However, the business of this Joint Venture may continue to be conducted under the same name by the Non-Defaulting Party who shall carry on and perform the remainder of the work to be completed under the Contract (with a new Joint Venture Party if the Non-Defaulting Party so chooses). The Defaulting party shall have no interest in any profits resulting from the performance of the work under the Contract after the date of default. The Joint Venture and the Non-Defaulting Party shall have title to and the right to possession of all the remaining assets of the Joint Venture and shall also have the right to maintain possession of any equipment or property of the Defaulting Party until completion. To secure this right each Party hereby grants to the Joint Venture a security interest in all property of such party used in the performance of the work contemplated by the Contract and this Agreement.

18.3 The Defaulting Party shall remain liable for its share of any losses sustained by the Joint Venture with respect to the performance of the Contract or the Joint Venture as a whole, as determined pursuant to the terms and conditions of this Agreement. However the Defaulting Party shall be entitled to receive that proportion of any profits of the Joint Venture, to which it

would otherwise be entitled as the actual monetary value of the work completed at the time of default bears to the total actual monetary value of all work as determined at completion of the Contract; 50% shall then be deducted from the said amount payable to the Defaulting Party, such 50% to be withheld as management fee for the Non-Defaulting Party. The Defaulting party shall not in any event be entitled to payment of any profits or to withdraw any capital contributions until the work under the Contract is completed and finally accepted by the owner, and any such payments or withdrawals shall be subject to the reserve requirements referred to herein and in Paragraph 15.

18.4 If such default or insolvency, bankruptcy or other similar proceedings should cause damage or additional costs to the Non-Defaulting party, then such damages or additional costs shall be charged against the interest of the Defaulting Party and against any amounts to which the Defaulting Party would otherwise be entitled pursuant to the provisions of this Agreement.

19. Limits of Joint Venture; Credit of Other Party:

19.1 The relationship between the parties shall be limited to the performance of the Contract in accordance with the terms of this Agreement. This Agreement shall be construed and deemed to be a Joint Venture for the sole purposes of carrying out the contract. Nothing herein shall be construed to permit either Party to bid for or to undertake any other contracts for the other Party, or in any manner to limit either of the Parties in the conduct of their respective businesses or activities in the making of other contracts or the performance of other work, or impose any liability except that of performance of the terms, provisions and conditions of this Agreement.

19.2 Without the prior written consent of the other Party hereto, neither Party may unilaterally:

- a) Borrow money in the name of the Joint Venture;
- b) Except as expressly provided herein, compromise or release any claim belonging to or debt due the Joint Venture (except upon full payment), or litigate or mediate, or consent to the mediation of any claim, dispute or controversy against or involving the Joint Venture or the Contract or the Project;
- c) Except as expressly provided herein, execute or deliver on behalf of the Joint Venture any indemnity or surety bond or guarantee, or in any manner cause the Joint Venture to become a surety, guarantor or accommodation party on any obligation whatsoever;
- d) Except as expressly provided herein, agree to any substantial modification of the Contract the Contract Work;
- e) Admit any additional person, firm or corporation to the Joint Venture;
- f) Except as expressly provided herein, commit the other Party or the Joint Venture to any liability; and
- g) None of the terms, covenants, obligations or rights contained in this Agreement is or shall be deemed to be for the benefit of any person or entity other than the named parties hereto and the Joint Venture, and no such third person shall under any circumstances have any right to compel any actions by the Joint Venture, its Managing Party, its Management Committee or its Parties.

20. Claims Against a Party:

20.1 The Parties agree to meet and negotiate in good faith toward the voluntary resolution of any disputes between them arising during construction and toward the adjustment and settlement of all accounts and incurred obligations to their mutual satisfaction upon completion of performance of the contract.

20.2 The Parties also agree that if the Contract contains a liquidated damages provision and that provision is invoked due to a delay or other problem caused by one Party hereto, to the extent the Party caused such delay or problem, such Party shall be responsible for any liquidated damages so assessed as contained in Paragraph 15.7.

21. Dispute Resolution:

21.1 Other than as otherwise provided herein, the following dispute resolution process shall be the sole, exclusive process for the resolution of disputes between the Parties hereto with respect to this Joint Venture, the interpretation of this Joint Venture Agreement, the Contract or the Project.

21.2 If any dispute or disagreement shall arise among the Parties relating to this Agreement, or the breach thereof, or the Work to be performed, which cannot be resolved by the Management Committee, the issues shall then be presented for resolution by any party to the current President or Chief Executive Officer of each Party. In the event these Party officers are unable to resolve such disagreement or dispute after meeting on at least two separate occasions within sixty (60) days following its presentation to them, or specifically agree in writing to a longer period of time for their deliberation, any Party may then request the management Committee to send the dispute or disagreement to mediation.

21.3 If the Management Committee has not referred the dispute or disagreement to mediation within ninety (90) days after such request for same has been made, and the matter is otherwise not resolved, then and only then may any Party initiate legal action. In no event shall the request for mediation be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

21.4 No mediation arising out of or relating to the Agreement shall include, by consolidation, joined or in any other manner a person not a party to this Agreement without the written consent of the Parties and any other person sought to be joined. Any consent to mediation involving an additional person or persons shall not constitute consent to mediation of any dispute not described therein.

21.5 The award rendered by the Mediator is not binding; however, the attorneys fees and costs of the mediation shall be borne in full for both Parties by the non-prevailing party as determined by the decision of the Mediator.

22. Events of Default; Remedies; Continuing Obligations:

21.1 In addition to other terms contained herein, each of the following shall be deemed to be an event of default, "Event of Default" or "Event", under the terms of this Agreement:

- a) The failure to provide any loan advance or working capital required by the Joint Venture pursuant to and as determined in accordance with this Agreement;
- b) The failure or inability to provide any certificate of insurance or other document as required by Owner and agreed upon by the Parties (including the failure to continue, renew, extend or replace any such item) in effect throughout the duration of the contract, or until otherwise excused, released or extinguished by Owner, and as applicable, the Non-Defaulting party;
- c) The failure to comply with work schedules/progress schedules as established by Owner or, as applicable, by the Joint Venture;
- d) The failure to commence or diligently prosecute work, to provide adequate personnel (including supervision), equipment, materials and supplies as required by the Joint Venture, the Contract or in compliance with same;
- e) The failure to attend Project conferences or meeting with the Owner (as required by it) and/or the management committee or Party, their respective subcontractors, suppliers, consultants, advisors or other associates as the case may be;
- f) The receipt by the Joint Venture of any notice or demand from Owner wherein Owner advises that work items of the Defaulting Party (or the Party who is identified as having the responsibility for such work items) are incomplete, deficient, unacceptable, rejected, damaged or unapproved and have not been repaired, cured, replaced or otherwise remedied to an acceptable level within any applicable cure period required by owner, or as applicable, a commercially reasonable period of time determined in accordance with the custom and practice of the construction industry;
- g) The Defaulting party's failure to comply with written or oral directives of Owner resident engineers, field supervisors or other personnel having supervisory authority over such activities with respect to the Project.
- h) The Defaulting Party's failure to pay any of its subcontractors, suppliers, material men, or other providers in accordance with the terms and provisions of any subcontract entered into between the Defaulting party (whether alone, under its "prime subcontract", or on behalf of the Joint Venture) within the terms and provisions of such subcontract, or other agreement applicable to the provision of such labor, material or other work;
- i) The filing of a claim for lien or bond claim (or the commencement of a judicial or other proceeding to enforce such claim) by any subcontractor, supplier, material men of the Defaulting Party identified herein, including without limitation any claim made pursuant to the Illinois Mechanic's Lien Act, and/or any claim or demand against any bond furnished by the Joint Venture or Party in connection with the Project;
- j) The admission by such Defaulting party that it is insolvent, unable to pay its obligations as they mature, unable to perform the work required of it in connection with the Project or otherwise admits and acknowledges that it is unable to cure any Event of Default previously identified herein within a time deemed to be commercially reasonable in the construction industry and, in particular, as applied to the performance required under the Contract for the Project;

- k) The commencement of a proceeding in the nature of bankruptcy or reorganization (or the assignment for the benefit of creditors), whether voluntary or involuntary, which is not discharged within ten (10) days after the commencement of such proceeding; or
- l) The breach of a material provision of this Agreement or of the Contract with the Owner.

22.2 Upon the occurrence of any of the preceding Events of Default and which Event or Events as applicable, are not cured within any period of time stated herein or with ten (10) business days after notice and demand for performance by Owner or any Non-Defaulting Party, then the remaining Party shall have the following rights and powers which may be exercised immediately by them to the exclusion of the Defaulting Party, subject only to written notice of such exercise being served upon the Defaulting Party:

- a) The rights to perform such acts, grant consents, make and implement decisions of every kind and nature with respect to the Project, the contract, all subcontracts of the Joint Venture;
- b) The right to control the receipt, and the disbursement of all funds due or received in connection with or relating to the Project, including funds that may be due to subcontractors, material men, suppliers or other providers of goods and services to the Defaulting Party in connection with the Project;
- c) To prosecute, defend, make, compromise, arbitrate, settle, adjust and otherwise resolve any claims, demands, suits, proceedings or other matters arising out of, or as a result of such Event by the Defaulting party, even though the Joint Venture interest of such Defaulting party may be charged with the financial or other consequence thereof; or
- d) To retain all funds due or which may become due to the Defaulting Party until the final accounting, winding up and distribution of any known funds of the Joint Venture in accordance with the terms of this Agreement, applicable statutory and decision and the law, notwithstanding that the Defaulting Party (or any person succeeding to its rights) might otherwise, but for such Event or Events, be able to request or require any payment due hereunder.

22.3 In addition to any other term contained herein, any Defaulting party hereunder shall indemnify and hold harmless the Non-Defaulting Party and/or the Joint Venture for any loss, claims or liabilities which the Non-Defaulting Party and/or the Joint Venture may incur arising out of any breach of this Joint Venture Agreement or the Contract by the Defaulting Party. The Defaulting Party further agrees to pay all legal expenses and costs required of or by the Non-Defaulting Party and/or the Joint Venture to protect their interests or defend any action arising out of the Defaulting Party's breach including court costs and disbursements.

22.4 Notwithstanding the foregoing, the Defaulting party shall remain liable for its entire share of any losses, but shall be entitled to receive only the proportion of the profits, if any, to which it would otherwise be entitled as the dollar value of the work completed at the time of the happening of any of the above described Events bears to the dollar value of the complete Contract, such profits to be paid at the time and in the manner provided in this Agreement, if any. If such Event, bankruptcy, or other proceeding of default of the type above described herein cause damage or cost to the other Party, such damage or cost shall be charged against the interest

of the Defaulting Party. Further, any notice of default which is contested in good faith by the Party receiving such notice shall not result in such receiving Party being deemed to be in default until such dispute is resolved as otherwise provided herein.

22.5 The remedies provided herein shall be in addition to and shall not limit any remedies the Non-Defaulting Party may have pursuant to terms of this Agreement, or at law or in equity or otherwise.

23. Termination of Agreement:

23.1 If the Parties hereto do not submit the Proposal or the Bid, or if a Contract is not awarded to the Joint Venture, or if the Contract undertaken, completed and accepted with all obligations there under satisfied and all assets having been liquidated and/or distributed as provided in this Agreement, or at the option of all the Parties, this Joint Venture Agreement shall terminate.

23.2 The Agreement, and the Joint Venture hereby created, shall remain in effect only for such period of time as necessary to carry out the Joint Venture's work to be performed for the Project, to receive full and final payment of all amounts owed to the Joint Venture, to make appropriate provision for and to meet all actual and contingent liabilities of the Joint Venture and otherwise to carry out the terms and provision of this Agreement; provided, however, that if the Owner should (a) in the judgment of the Management committee, unduly delay the Contract award, or (b) terminate the Contract, or (c) award the Contract to another bidder; or (d) if any Party cannot obtain its share of the performance bond or other financial obligation required by the Owner, then in any of such events, this Agreement and the Joint Venture hereby created shall continue in effect only for such period of time as may be necessary for the Joint Venture to receive full and final payment of all amounts owed to the Joint Venture, to make appropriate provision for and to meet all actual and contingent liabilities of the Joint Venture and otherwise carry out terms and provisions of this Agreement. In the event that subsection (d) applies, the remaining party may proceed to such award of the Contract to itself without further obligation to the other Party and as provided herein.

24. Entire Agreement/Amendment:

This Agreement contains and constitutes the entire agreement between the Parties hereto and cancels and supersedes any and all previous understandings or agreements related to or referring to the Joint Venture, the Contract and/or the Project, whether written or oral. Any and all changes, amendments or modifications to this Agreement must be unanimously agreed to in writing by all the Parties hereto, FHP and MCI, by each Party's respective duly authorized officer.

25. Publicity:

No Party of the Joint Venture will release any public information or publicity related to the Project or the Joint Venture's services without the express consent and prior review of the Management Committee, and each Party shall exercise its best efforts to communicate and enforce such restriction with respect to any subcontractor or special consultant retained for any purpose hereunder. All public information or publicity relating to the Project during the life of the Project shall reflect the name of the Joint Venture.

26. Notices:

Any notice, demand or other communication required in connection with the business of the Joint Venture shall be in writing and shall be deemed to have been given if delivered personally or upon deposit in the United States mail, postage prepaid addressed to the person to receive such notice at the following address:

If to FHP: F. H. Paschen, S. N. Nielsen & Associates LLC
5515 N. East River Road
Chicago, IL 60656
Attn: James V. Blair & Joseph V. Scarpelli

If to MCI: Milhouse Construction, Inc.
60 E. Van Buren St., STE 1501
Chicago, IL 60605
Attn: Wilbur C. Milhouse III, P.E & Dolla Crater

27. Non-Assignment:

Except as expressly permitted herein, no party shall sell, assign, transfer, mortgage or otherwise encumber any part or all of its Joint Venture interest or this Agreement without the written consent of the other Party, or suffer any third Party to sell, assign transfer, mortgage, charge or otherwise encumber, or contract to or permit any of the foregoing whether voluntarily or by operation of law (collectively referred to herein from time to time as a "transfer"), and any attempt to do shall be void. The giving of such consent in any one or more instances shall not limit or waive the need for such consent in any other or subsequent instances, nor shall it relieve any Party of its obligations hereunder.

28. Successors/Governing Law/Venue Selection:

This Agreement shall inure to the benefit of and be binding upon the legal representatives, successors, and permitted assigns of the Parties and shall be governed and interpreted according to the laws of the State of Illinois. The parties hereby further agree that any action commenced to resolve any dispute hereunder shall be brought in Cook County,

Illinois; either in the Circuit Court of Cook County, Illinois or in the United States District Court for the Northern District of Illinois.

29. Tax Status, Allocation and Reports:

Notwithstanding any provisions hereof to the contrary, solely for United States Federal Income Tax purposes, each of the parties hereby recognizes that the Joint Venture will be organized and taxed as a partnership for state and federal income tax purposes, which status shall not expand the obligations or liabilities of the Parties. The Management Committee shall cause to be prepared all tax returns and statements, if any, that must be filed on behalf of the Joint Venture with any taxing authority, and shall submit such returns and statements to each of the Parties in accordance with Internal Revenue Service and or State Departments of Revenue requirements for their approval prior to filing, and upon approval thereof by all of the Parties, make timely filings thereof all as expressly provided herein.

30. Ownership and Use of Documents:

All documents produced for or by the Joint Venture shall be owned by the Joint Venture. No Party shall use these documents for other Projects without the prior written consent of the other Party.

31. Execution of Additional Documents:

The Parties hereto agree to execute and deliver any and all additional documents and instruments and do all acts which may be reasonably necessary to carry out and effectuate the purposes of this Agreement.

32. Unenforceability:

The determination that any term or provision contained in this Agreement is void or unenforceable shall affect that term or provision only and the remainder of this Agreement shall remain in full force and affect.

33. Limitation of Rights of Others:

Nothing contained in this Agreement, whether express or implied, shall be construed to give the owner or any other entity or person other than the Parties hereto, any legal or equitable right, remedy or claim under or in respect to this Agreement.

34. Confidentiality:

Each party hereto shall consider all Joint Venture information, or information provided by the other Party as confidential, unless such information is already in existence as common or public knowledge, and in no event disclose such non-public information to any third party.

35. Waiver:

Neither the failure of any Party to exercise any power given to such party under this Agreement or to insist upon strict compliance by the other Party with such other Party's obligations under this Agreement, nor any custom or practice of the Parties at variance with the terms hereof, shall constitute a waiver of any Party's right to demand exact, full and complete compliance by the other Party with the terms and provisions of this Agreement.

36. Captions:

The captions and headings used herein are for convenience and reference only and shall not limit or expand or be used to interpret the provisions thereof. In addition, whenever the singular, plural, masculine, feminine or neuter is used in this Agreement it shall not be used to limit reference to the opposite.

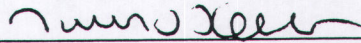
37. Counterparts:

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and together shall constitute but a single instrument.

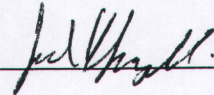
[Signature Page Follows]

IN WITNESS THEREOF, the parties to this Agreement do hereby execute this Agreement as of the day and year specified above.

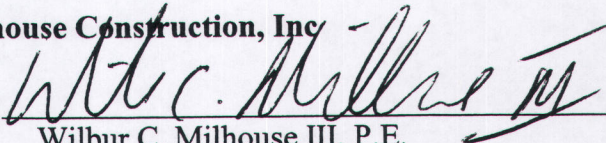
F. H. PASCHEN, S. N. NIELSEN & ASSOCIATES LLC

By: 
James V. Blair

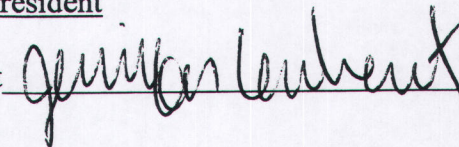
Its: Authorized Agent & President

Attest 

Milhouse Construction, Inc

By: 
Wilbur C. Milhouse III, P.E.

Its: President

Attest 

SCHEDULE A
INSURANCE:

**Insurance Requirements for F.H. Paschen, S.N. Nielsen & Associates, LLC (FHP) and
Milhouse Construction, Inc. (MCI)**

Insurance must be in compliance with the following requirements and procured with a policy inception date prior to the commencement of any work. All subcontractors will provide insurance in accordance to Schedule D.

A) Workers' Compensation and Employer's Liability Insurance

- The Joint venture will be added as a named insured to FHP's Workers Compensation policy.
- FHP payroll will be insured under FHP's Workers Compensation policy
- MCI payroll will be insured under MCI's Workers Compensation policy
- FHP and MCI will procure insurance to meet the requirements in Item 1, found in the following schedule D.

B) Commercial General Liability Insurance

- The Joint venture will be added as a named insured to FHP's General Liability policy for 10 years after the final completion of the project.
- Coverage will be provided under FHP's general liability policy for their designated work.
- Coverage will be provided under MCI's general liability policy for their designated work
- FHP and MCI will procure insurance to meet the requirements in Item 2, found in the following schedule D.

C) Automobile Liability Insurance

- The Joint venture will be added as a named insured to FHP's Automobile Liability policy.
- FHP will provide coverage for FHP vehicles under their automobile policy
- MCI will provide coverage for MCI vehicles under their automobile policy
- FHP and MCI will procure insurance to meet the requirements in Item 3, found in the following schedule D

D) Contractors Pollution Liability Insurance

- The Joint venture will be added as a named insured to FHP's Pollution Liability policy.
- MCI will provide coverage for their operations.
- FHP will provide coverage for their operations.
- FHP and MCI will procure insurance to meet the requirements in Item 5, found in the following schedule D

E) All Risk Property Risk Insurance

- **F.H. Paschen, S.N. Nielsen & Associates LLC** shall provide All Risk Property Insurance for this project.

- If a loss occurs under the builders risk policy, the deductible shall be paid for in accordance to the item 6, found in the following schedule D.

F) All Risk Property Insurance exclusions

- Please see Item 7, found in the following schedule D

G) Umbrella Liability Insurance

- Coverage will be provided under FHP's umbrella liability policy for their designated work.
- Coverage will be provided under MCI's umbrella liability policy for their designated work
- FHP and MCI will procure insurance to meet the requirements in Item 8, found in the following schedule D

SCHEDULE D

Before commencing work under this contract, the Subcontractor shall submit a Certificate of Insurance in accordance with requirements listed below. At the request of **Paschen Milhouse Joint Venture** a certified copy of the insurance policies and any and all endorsements or riders thereto, evidencing compliance with all requirements contained herein shall be provided.

A. Insurance to be Provided

1) Workers' Compensation and Employer's Liability Insurance

Workers' Compensation Insurance affording workers' compensation benefits for all employees as required by law and Employers' Liability Insurance covering all Subcontractor's employees who work on a Project, with limits of not less than \$1,000,000.00. The insurance carrier shall provide a waiver of subrogation for **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC.**

2) Commercial General Liability Insurance

Commercial General Liability Insurance with a combined single limit of liability of not less than \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate. Such insurance shall include a designated construction project general aggregate limit endorsement. Such insurance shall provide coverage for bodily injury, personal injury, property damage, premises and operations, explosion, collapse and underground hazards, products and completed operations, contractual liability, independent contractors, broad form property damage (including products and completed operations. **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC** shall be included as additional insured, with coverage no more restrictive than Insurance Services Office (ISO) Form Number CG 20 10 10 01 and CG

20 37 10 01. Coverage provided the additional insured shall be on a primary, non-contributory basis for any liability arising directly or indirectly from the work of the Subcontractor. The insurance carrier shall provide a waiver of subrogation for all above listed additional insureds. Products/Completed Operations shall extend for two years after Final Completion.

3) **Automobile Liability Insurance**

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Subcontractor shall provide automobile liability insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage and **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC** are to be named as an additional insured on a primary, non-contributory basis. The additional insured endorsement must be ISO Form CA 20 48 or its equivalent. The insurance carrier shall provide a waiver of subrogation for all above listed additional insureds.

4) **Professional Liability**

When any architects, engineers or consulting firms perform work in connection with the subcontract, Professional Liability insurance shall be maintained with limits of \$5,000,000. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with or precede start of work pursuant to the contract.

5) **Contractors Pollution Liability Insurance**

When Subcontractor's work includes cleanup, removal, storage or otherwise handling of hazardous or toxic chemicals, materials, substances, or any other pollutants the Subcontractor shall provide at their expense Contractor Pollution Liability Insurance appropriate to cover such activities in an amount not less than \$5,000,000 Combined Single Limit per occurrence / aggregate for bodily injury, property damage and remediation. Claims Made policies will include an extended reporting period of two (2) years. The policy for this insurance shall include Contractual Liability coverage. Such policy shall be endorsed to specifically provide for Work performed under the Contract and shall extend to all third tier subcontractors engaged in hazardous material activities. **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC** are to be named as an additional insured.

6) **All Risk Property Risk Insurance**

F.H. Paschen, S.N. Nielsen & Associates LLC shall provide All Risk Property Insurance for this project. The insurance shall provide for a deductible on a per loss basis. It shall be the responsibility of the covered subcontractor or contractor to bear the expense of this deductible as it relates to their work. If loss involves more than one insured, then the deductible shall be pro-

rated among the claimants based upon the percentage their loss bears to the entire eligible loss. All payments for Builders Risk loss shall be subject to the terms and conditions of the policy. Copies of the coverage will be provided upon written request of the Subcontractor.

7) **All Risk Property Insurance exclusions**

The All Risk Property Insurance shall not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the Project site and the capital value of which is not included in the Work. The Subcontractor shall make his own arrangements for any insurance he may require on such construction equipment.

8) **Umbrella Liability Insurance**

This coverage is to follow the form of all primary coverage requirements as outlined above, and shall be provided in and amount not less than \$5,000,000, each occurrence and annual aggregate on a per project basis excess of the underlying policy limits. Subcontractor must have its Umbrella/Excess insurance endorsed to include as additional insured **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC.**

B. Insurance Requirements

- 1) The additional insured endorsements affording additional insured status under the General Liability and Automobile Liability insurance must be attached to the certificate of insurance and delivered to **Paschen Milhouse Joint Venture** prior to the commencement date of the work to be performed.
- 2) All deductibles or self insured retentions on referenced insurance coverages shall be borne by the Subcontractor.
- 3) The Subcontractor agrees that insurers shall waive their rights of subrogation against **F.H. Paschen, S.N. Nielsen & Associates LLC and its related entities, Milhouse Construction, Inc., Paschen Milhouse Joint Venture, Public Building Commission of Chicago, the board of Education of the City of Chicago, and the City of Chicago and others as may be required by the PBC.**
- 4) The Subcontractor shall require all second tier subcontractors to provide the insurance required herein or Subcontractor may provide the coverages for second tier subcontractors. All second tier subcontractors shall be subject to the same insurance requirements of Subcontractor.
- 5) Subcontractor in this agreement must include the cost for Subcontractor to provide and maintain each of the insurance coverages for the Work, through insurance companies licensed by the State of Illinois and rated at least A-VII by A.M. Best's or comparable rating agency.

6) All subcontractor insurance policies must expressly provide that no less than 60 days prior written notice by certified mail must be given to the additional insured in the event of material alteration, cancellation, or non-renewal of the coverage. Notice of Cancellation for failure to pay any required premium must be furnished no less than 10 days before the cancellation.

7) Subcontractor must not issue payment to second tier subcontractors unless the second tier subcontractor's current Certificate of Insurance is on file. Failure of **Paschen Milhouse Joint Venture** to receive Certificates of Insurance required or to demand receipt of such Certificates of Insurance must not be construed as a waiver of Subcontractor's or second tier subcontractor's obligations to obtain insurance pursuant to these Insurance Requirements. The obligation of the Subcontractor and its second tier subcontractors to procure and maintain any insurance required by these Insurance Requirements is a separate responsibility of the Subcontractor and its second tier subcontractors and independent of the duty to furnish a Certificate of Insurance of any such insurance policies.

8) **Paschen Milhouse Joint Venture** reserves the rights to modify, delete, alter or change these requirements.

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EXHIBIT 14 – DISCLOSURE OF RETAINED PARTIES

AS SUBMITTED FROM INITIAL RFP

SECTION VII – DISCLOSURE OF RETAINED PARTIES**(1) DEFINITIONS AND DISCLOSURE REQUIREMENTS**

- a. As used herein, "Proposer" means a person or entity who has any contract with the Public Building Commission of Chicago ("Commission").
- b. Commission bids, contracts, and/or qualification submittals must be accompanied by a disclosure statement providing certain information about lobbyists whom the Proposer has retained or expects to retain with respect to the contract or lease. In particular, the Proposer must disclose the name of each such person, his or her business address, the name of the relationship, and the amount of fees paid or estimated to be paid. The Proposer is not required to disclose employees who are paid solely through the Proposer's regular payroll.
- c. "Lobbyists" means any person (a) who for compensation or on behalf of any person other than himself undertake to influence any legislative or administrative action, or (b) any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

(2) CERTIFICATION

Proposer hereby certifies as follows:

- a. **This Disclosure relates to the following transaction:**
Public Building Commission of Chicago, 2013 School Investment Program
- b. **Description of goods or services to be provided under Contract:**
Design Build Services
- c. **Name of Proposer:**
F.H.Paschen, S.N.Nielsen & Associates LLC as part of Paschen Milhouse Joint Venture

- (3) EACH AND EVERY lobbyist retained or anticipated to be retained by the Proposer with respect to or in connection with the contract is listed below. Attach additional pages if necessary.**

Retained Parties:

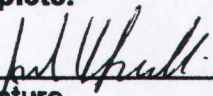
Name	Business Address	Relationship (Attorney, Lobbyist, etc.)	Fees (Indicate whether paid or estimated)

Indicate Here If No Such Persons Have been Retained or Are Anticipated to Be Retained: X

(4) The Proposer understands and agrees as follows:

- a. The information provided herein is a material inducement to the Commission execution of the contract or other action with respect to which this Disclosure of Retained Parties form is being executed, and the Commission may rely on the information provided herein. Furthermore, if the Commission determines that any information provided herein is false, incomplete, or inaccurate, the Commission may terminate the contract or other transaction, terminate the Proposer's participation in the contract or other transactions with the Commission.
- b. If the Proposer is uncertain whether a disclosure is required, the Proposer must either ask the Commission's Representative or his or her manager whether disclosure is required or make the disclosure.
- c. This Disclosure of Retained Parties form, some or all of the information provided herein, and any attachments may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. The Proposer waives and releases any possible rights or claims it may have against the Commission in connection with the public release of information contained in the completed Disclosure of Retained Parties form and any attachments.

Under penalty of perjury, I certify that I am authorized to execute this Disclosure of Retained Parties on behalf of the Proposer and that the information disclosed herein is true and complete.


Signature

April 30, 2013

Date

Joseph V. Scarpelli

Agent/Executive Vice President

Name (Type or Print)

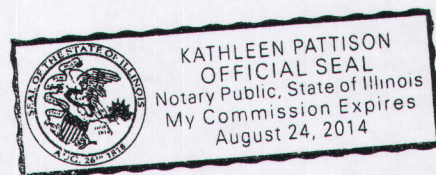
Title

Signed and sworn to before me on this 30 day of April, 2013 by

Joseph V. Scarpelli (Name) as Agent/Executive Vice President (Title) of

F.H.Paschen, S.N.Nielsen & Associates LLC (Bidder/Proposer or Contractor).


Notary Public Signature and Seal



SECTION VII – DISCLOSURE OF RETAINED PARTIES

(1) DEFINITIONS AND DISCLOSURE REQUIREMENTS

- a. As used herein, "Proposer" means a person or entity who has any contract with the Public Building Commission of Chicago ("Commission").
- b. Commission bids, contracts, and/or qualification submittals must be accompanied by a disclosure statement providing certain information about lobbyists whom the Proposer has retained or expects to retain with respect to the contract or lease. In particular, the Proposer must disclose the name of each such person, his or her business address, the name of the relationship, and the amount of fees paid or estimated to be paid. The Proposer is not required to disclose employees who are paid solely through the Proposer's regular payroll.
- c. "Lobbyists" means any person (a) who for compensation or on behalf of any person other than himself undertake to influence any legislative or administrative action, or (b) any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

(2) CERTIFICATION

Proposer hereby certifies as follows:

- a. This Disclosure relates to the following transaction:
RFP Design Build Services Multiple Renovation Projects - 2013 School Investment Programs
- b. Description of goods or services to be provided under Contract:
Design and build services
- c. Name of Proposer:
Milhouse Construction, Inc. as part of Paschen Milhouse Joint Venture

- (3) EACH AND EVERY lobbyist retained or anticipated to be retained by the Proposer with respect to or in connection with the contract is listed below. Attach additional pages if necessary.

Retained Parties:

Name	Business Address	Relationship (Attorney, Lobbyist, etc.)	Fees (Indicate whether paid or estimated)

Indicate Here if No Such Persons Have been Retained or Are Anticipated to Be Retained: X

(4) The Proposer understands and agrees as follows:

- a. The information provided herein is a material inducement to the Commission execution of the contract or other action with respect to which this Disclosure of Retained Parties form is being executed, and the Commission may rely on the information provided herein. Furthermore, if the Commission determines that any information provided herein is false, incomplete, or inaccurate, the Commission may terminate the contract or other transaction, terminate the Proposer's participation in the contract or other transactions with the Commission.
- b. If the Proposer is uncertain whether a disclosure is required, the Proposer must either ask the Commission's Representative or his or her manager whether disclosure is required or make the disclosure.
- c. This Disclosure of Retained Parties form, some or all of the information provided herein, and any attachments may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. The Proposer waives and releases any possible rights or claims it may have against the Commission in connection with the public release of information contained in the completed Disclosure of Retained Parties form and any attachments.

Under penalty of perjury, I certify that I am authorized to execute this Disclosure of Retained Parties on behalf of the Proposer and that the information disclosed herein is true and complete.

Wilbur C. Milhouse III
Signature

4/22/13
Date

Wilbur C. Milhouse III
Name (Type or Print)

President / CEO
Title

Signed and sworn to before me on this 22 day of April, 2013 by

Wilbur C. Milhouse III (Name) as CEO / President (Title) of

Milhouse Construction, Inc. (Bidder/Proposer or Contractor).

Olga Benkart
Notary Public Signature and Seal

