

ARCHITECT / CLIENT AGREEMENT

Dear Prospective Client

A very important issue in the Architectural process is cost and quality of work. It is our chief intent to give you the best service and a well developed project that is functional and cost efficient. We are concerned with your present needs and costs as well as your pride in the value of the finished project, its maintenance, and the value of your property.

The first part of the Architectural design process is PROGRAMMING. While a client almost always knows his needs, they are usually unaware of the specifics of these needs, such as the "sizes of spaces" and the costs related to the various items in these spaces, such as lighting, windows, finishes and quality of construction. As the size of the project increases and/or as the particulars of each element are more developed and refined, the amount of time needed to understand design, select and draft each item is increased.

From experience, I would like to explain the basis of the cost of our Architectural services. We are aiming to provide design and related construction details and finishes that suit your needs. Determination of these essential specifics is a time consuming process involving drawings and discussions within the Architect's office and with the Client. This part of the Architectural process is called DESIGN. Although, traditionally it consumes about 1/3 of the project's time or cost, each project is unique enough so that this can vary greatly. Again, let me emphasize that this portion of the Architectural process is the most difficult to define.

As this Time is increased, so the Cost of the Architectural work increases. Because of this phenomenon, it is quite possible for a very large project that is *very simple* and *direct* to have a lower Architectural Fee than a very small, unique project where exactness of the Client's needs is desired, as in a home. The determination of and/or preparation of this program is the important part of a building because a building is the materialization of this program. There are so many decisions and so many determinants that the time to resolve each issue is unknown and so the exact cost of this process is unknown. While we often give estimates of the predicted cost of such Services, the real Cost is a function of the time involved to resolve the Design. Once the Program issues are settled, the number of sheets of drawings can be determined, and a fairly accurate prediction of the time needed to prepare drawings can also be determined.

After drawings and the specifications are complete, the next phase is BIDDING AND NEGOTIATIONS. The Architect's time involves calling contractors, showing the premises if it is an alteration to existing structures, discussing alternatives for cost savings, scheduling, and construction planning. The selection of a contractor is extremely important because each contractor's style, personality, and organization will be reflected in the final product. While we may help locate a contractor, experience shows that there is no guarantee to their performance. A contractor's work load, the availability of subcontractors, changes in construction and design, product availability and personal problems can create a plethora of unforeseen problems.

My experience has been that even the "best" have problems. Resolution of these problems always involves the Architect and the Owner pays. For an Owner to think that he can control the contractor is history.

If a contractor walks off a job, finding another contractor is difficult. If a contractor or a subcontractor puts a lien on the property, no further work can proceed and the Owner cannot sell the property until the lien is resolved. The Architect is not a controller of the contractor, and cannot predict his internal problems. Hence, he is not responsible for the contractor's problems. Actually, the Architect's usefulness to the Owner in this area is simply that the Architect suggests reliable contractors and relies upon his good relations with them to "ease" the job along. While the Architect is the Owner's agent through construction, he has only limited power of control. Legal enforcement of problems is costly and very time consuming. Some "worst case" scenarios are costly for all parties.

With all the unknowns, it is impossible to pinpoint the Architectural Fee. Our Estimated Fee is established by trying to determine how much time is needed to produce the information necessary for you to continue your project. We keep records of all costs which include personnel costs, expenses for printing, postage, photography and any other cost directly related to each project. The needs of each client differ because of their means of implementing construction. Time needed for a job varies because of client input, scope changes, unforeseen problems, etc. When our costs exceed the client's expected costs, we try to notify the client that we must increase our compensation proportionate to the additional work needed to complete our work properly.

Our Office Time is billed at \$180.00 per hour for the Principal Architect (Douglas Okun) and \$90.00 per hour for the Designers and Draftsmen. We also contract jobs at a Total Fee amount set by negotiation between the Client and the Architect.

Our billing is often geared to the Phases of the project, the usual phases are:

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| 1. | Schematic Design | 20% |
| 2. | Design Development | 15% |
| 3. | Construction Documents | 45% |
| 4. | Bidding and Negotiation | 5% |
| 5. | Construction Supervision | 15% |

Billing is usually at two week intervals of each phase.

It is essential that you understand and cooperate with the Architectural process in order for you to ensure that your costs are in keeping with the finished construction project.

This description of Architectural Services shall serve as the basis of our understanding, and our procedure with Architectural Service constitutes your understanding and agreement with this description. Please call me to meet soon.

Sincerely,



Douglas Okun