



POLICY DOCUMENT

AGREEMENT

made as of the Date: _____

BETWEEN:

AR Operate LLC
513 E Franklin St
Endicott, NY 13760
(hereinafter referred to as the Designer)

AND:

Name: _____

Address: _____

(hereinafter referred to as the client)

For the following Project:

The Client and the Designer agree as set forth below.

ARTICLE 1

Designer 'S SERVICES

BASIC SERVICES

The Designer 's Basic Services consist of the four (4) phases described below.

1.1 GENERAL

The Designer shall ascertain the feasibility of achieving the Client's requirements within the limitations of the building within which the Project is to be located.

1.2 SCHEMATIC DESIGN PHASE

Based on the approved written program, the Designer shall prepare for the Client's approval preliminary diagrams showing the general functional relationships for both personnel and operations.

Based on the approved relationship diagrams, the Designer shall review with the Client no more than three alternative space plans for design of the space.

The Designer shall assist the Client and the Client's Contractor with the preparation of a preliminary estimate of Project cost, based on the recommended design concept and on current costs for projects of similar scope and quality.

1.3 DESIGN DEVELOPMENT PHASE

Based on the approved Schematic Design, the Designer shall prepare, for approval by the Client, Design Development drawings and other documents to fix and describe the size and character of the interior construction of the Project including special design features to be incorporated into floors, walls, partitions, or ceilings.

The Designer shall prepare such data and illustrations for furniture, furnishings, and equipment as may be appropriate for the Project, including specially designed items or elements, to indicate finished appearance and functional operation. These services do not include the selection of computer or other specialized equipment; however, Designer 's Basic Services will accommodate the Designer ural requirements of such equipment including determination of how the Client's existing furnishings can be re-used.

The Designer shall further refine and recommend colors, materials, and finishes.

1.4 CONTRACT DOCUMENTS PHASE

Based on the approved Design Development submissions, the Designer shall prepare, for approval by the Client, Construction Documents consisting of drawings, specifications, and other documents setting forth the requirements for the interior construction work necessary for the Project.

Based on the approved Design Development submissions, the Designer shall prepare, for approval by the Client, drawings, schedules, specifications, and other documents, setting forth the requirements for the fabrication, procurement, shipment, delivery, and installation of furniture, furnishings, and equipment necessary for the Project ("Work"). Such Work is intended to be performed under one or more contracts or purchase orders between the Client and Contractor or supplier for furniture, furnishings, and equipment. Such Work does not include the specification or procurement of computer or other specialized equipment; however, Designer 's Basic Services will accommodate the Designer ural requirements of such equipment and use of Client's existing furniture as requested by Client.

The Designer shall prepare the necessary bidding and procurement information, bidding and procurement forms, the Designer 's Conditions of the Contracts for Furniture, Furnishings, and Equipment, Purchase Orders, and the forms of Agreement between the Client and the Contractor or suppliers ("Contract Documents").

The Designer shall assist the Client in connection with the Client's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

The Designer , following the Client's approval for the Contract Documents and of the most recent Statement of Probable Project Cost, shall assist the Client in obtaining bids or negotiated proposals, and assist in awarding and preparing contracts for interior construction and for furniture, furnishings, and equipment. All bidding and negotiating activities shall be coordinated by the Designer .

1.5 CONTRACT ADMINISTRATION PHASE

The Contract Administration Phase will commence with the award of one or more contracts or the issuance of one or more purchase orders and together with the Designer 's obligation to provide Basic Services under this Agreement, will terminate when final payment to Contractors or suppliers is due, and in the absence of a final Certificate for Payment or of such due date, sixty (60) days after the date of substantial completion of the Work, whichever occurs first.

The term Contractor, as used herein, shall mean each person or entity awarded a Contract by the Client, or supplier to whom a purchase order is issued by the Client, in connection with interior construction, procurement, or installation for the Work. Each such Contractor shall be referred to throughout the Contract Documents as if singular in number and masculine in gender. The term Contractor means the Contractor or the Contractor's authorized representative.

Unless otherwise provided in this Agreement and incorporated in the Contract Documents, the Designer shall provide administration of the contracts for furniture, furnishings, and equipment and the contracts for construction only as set forth below and in the Designer 's General and Supplementary Conditions.

The Designer shall be a representative of the Client during the Contract Administration Phase, and shall advise and consult with the Client. Instructions to the Contractor shall be forwarded through the Designer.

The Designer shall assist the Client in coordinating the schedules for delivery and installation of the Work, but shall not be responsible for any malfeasance, neglect, or failure of any Contractors or suppliers to meet their schedules for completion or to perform their respective duties and responsibilities.

The Designer shall visit the Project premises as deemed necessary by the Designer , or as otherwise agreed by the Designer in writing, to become generally familiar with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents. However, the Designer shall not be required to make exhaustive or continuous observations at the Project premises to check the quality or quantity of the Work. On the basis of such on-site observations as an Designer , the Designer shall keep the Client informed of the progress and quality of the Work, and shall endeavor to guard the Client against defects and deficiencies in the Work of the Contractors.

The Designer shall not have control or charge of and shall not be responsible for the means, methods, techniques, sequences, or procedures of construction, fabrication, procurement, shipment, delivery, or installation; or for safety precautions and programs in connection with the Work; for the acts or omissions of the Contractors, subcontractors, suppliers, or any other persons performing any of the Work; or for the failure of any of them to carry out the Work in accordance with the Contract Documents.

The Designer shall at all reasonable times have access to the Work wherever it is in preparation or progress.

Unless otherwise provided, the Designer 's duties shall not extend to the receipt, inspection, and acceptance on behalf of the Client of furniture, furnishings, and equipment at the time of their delivery to the premises and installation. The Designer is not authorized to reject nonconforming Work, sign Change Orders on behalf of the Client, stop the Work, or terminate the Contract on behalf of the Client.

The Designer shall be the interpreter of the requirements of the Contract Documents and the impartial judge of performance thereunder by both the Client and the Contractor. The Designer shall render interpretations necessary for the proper execution or progress of the Work with promptness on written request of either the Client or a Contractor, and shall render written decisions, as requested by Client or Client's representative, on all claims, disputes, and other matters in questions between the Client and the Contractor relating to the execution or progress of the Work or the interpretation of the Contract Documents.

Interpretations and decisions of the Designer shall be consistent with the intent of the Contract Documents and shall be in written or graphic form. In the capacity of interpreter and judge, the Designer shall endeavor to secure faithful performance by both the Client and the Contractors, shall not show partiality to either, and shall not be liable for the result of any interpretation or decision rendered in good faith in such capacity.

The Designer 's decisions in matters relating to aesthetics shall be final if consistent with the intent of the Contract Documents subject to final approval of Client. The Designer 's decisions on any other claims, disputes, or other matters, including those in question between the Client and the Contractors, shall be subject to arbitration as provided in this Agreement and in the Contract Documents.

The Designer shall review the final placement of all items and inspect for damage, quality, assembly, and function in order to determine that all furniture, furnishings, and equipment are delivered and installed in accordance with the Contract Documents.

The Designer shall recommend to the Client rejection of Work that does not conform to the Contract Documents. Whenever, in the Designer 's opinion, it is necessary or advisable for the implementation of the intent of the Contract Documents, the Designer will have authority upon Client's approval, to require special inspection or testing of the Work in accordance with the provisions of the Contract Documents whether or not such Work be then fabricated, installed, or completed. If, however, Client refuses to allow special inspection or testing of Work as requested or recommended by Designer , Client shall, upon request of Designer , provide Designer with a waiver of liability associated with the failure to allow such test.

The Designer shall prepare change orders for the Client's approval and execution in accordance with the Contract Documents, and shall have authority to order minor changes in the Work not involving an adjustment in the contract price or an extension of the contract time that are not inconsistent with the intent of the Contract Documents.

Based on the site observations, the Designer shall determine the dates of substantial completion and final completion; shall receive and forward to the Client for the Client's review, written warranties and related documents required by the Contract Documents and assembled by the Contractor; and shall issue final Certificates for Payment.

The extent of the duties, responsibilities, and limitations of authority of the Designer during the performance of the Work shall not be modified or extended without written consent of the Client, the Contractors and the Designer .

1.6 PROJECT REPRESENTATION BEYOND BASIC SERVICES

If the Client and the Designer agree that more extensive representation at the Project premises than is described in Paragraph 1.5 shall be provided, the Designer shall provide one or more Project

ADDR: 513 E FRANKLIN ST, ENDICOTT, NY 13760
EMAIL: AR_Operatellc@hotmail.com
PHONE: (607) 444-1165

representatives to assist the Designer in carrying out such responsibilities ("Project Representatives") at the Project premises.

Such Project Representatives shall be selected, employed, and directed by the Designer , and the Designer shall be compensated therefore as mutually agreed between the Client and the Designer and set forth, at the time of the request for such services, as an exhibit amended to this Agreement, which shall describe the duties, responsibilities, and limitations of authority of such Project Representatives.

Through the observations by such Project Representatives, the Designer shall endeavor to provide further protection for the Client against defects and deficiencies in the Work, but the furnishing of such Project representation shall not modify the rights, responsibilities, or obligations of the Designer as described in Paragraph 1.5.

1.8 TIME

The Designer shall perform Basic and Additional Services as expeditiously as is consistent with professional skill and care and the orderly progress of the Work. Upon request of the Client, the Designer shall submit for the Client's approval, a schedule for the performance of the Designer 's services which shall be adjusted as required as the Project proceeds, and shall include allowances for periods of time required for the Client's review and approval of submissions and for approvals of authorities having jurisdiction over the Project. Any change in the schedule not due to the fault of the

Neither party shall be held responsible for any delay or failure in performance of any part of this Agreement to the extent such delay or failure is caused by fires, floods, strikes, lock-outs, epidemics, accidents, shortages, acts of any governmental authority, or other causes beyond the reasonable control and without the fault or negligence of the delayed or non-performing party or its subcontractors. If any such conditions occur, the party delayed or unable to perform shall give immediate notice to the other party stating the nature of the condition and any action being taken to avoid or minimize its effect. The time of the Work as specified herein shall be extended during the continuance of such conditions. The Client reserves its right to terminate this Agreement as provided below.

ARTICLE 2

DESIGNER'S SPECIAL RESPONSIBILITIES WITH RESPECT TO INTERIOR DESIGN

Neither the Designer 's authority, nor any decision made by the Designer in good faith either to exercise or not to exercise such authority, shall give rise to any liability on the part of the Designer to the Client, the Contractor, and subcontractor or supplier, any of their agents or employees, or any other person.

ARTICLE 3

THE CLIENT'S RESPONSIBILITIES

The Client shall provide full information regarding requirements for the Project and base building information. Designer shall advise Client in writing in the event Designer believes additional information regarding requirements of the Project is required.

If the Client provides a budget for the Project it shall include contingencies for bidding, changes in the Work, and other costs. The Client shall, at the reasonable request of the Designer , provide a statement of funds available for the Project.

All purchases of furniture, furnishings or other equipment for the Project shall be made directly by the Client.

ADDR: 513 E FRANKLIN ST, ENDICOTT, NY 13760
EMAIL: AR_Operatellc@hotmail.com
PHONE: (607) 444-1165

The Client shall furnish the services of other consultants, including a qualified general contractor for customary pre-construction services, and agrees to coordinate their services with those of the Designer . The Client shall also furnish the services of testing services for hazardous materials, chemical and other laboratory tests, inspections and reports, if required. The Designer shall be entitled to rely on the information provided by such consultants.

The Client shall furnish all legal, accounting, and insurance counseling services as may be necessary for the Project, including such auditing services as the Client may require to verify the Contractors' applications for payment or to ascertain how and for what purposes any Contractor uses the monies paid by or on behalf of the Client.

The as-built drawings, specifications, services, information, surveys, and reports provided by the Client pertaining to the Project shall be furnished at the Client's expense, and the Designer shall be entitled to rely on the accuracy and completeness thereof.

If the Client observes or otherwise becomes aware of any fault or defect in the Project or nonconformance with the Contract Documents, prompt written notice thereof shall be given by the Client or Project Manager to the Designer .

The Client or Project Manager shall furnish the required information and services and shall render decisions as expeditiously as necessary for the orderly progress of the Designer 's services and of the Work.

The Client shall provide suitable space for the receipt, inspection, and storage of materials and equipment.

The Client shall contract for all temporary and permanent telephone, communications, and security systems required for the Project so as not to delay the performance of the Designer 's services.

The Client shall be responsible for the relocation or removal of existing facilities, furniture, furnishings, and equipment, and the contents thereof, unless otherwise provided by this Agreement.

ARTICLE 4

PROJECT COST

The Project Cost shall be the total cost or estimated cost to the Client of all elements of the Project designed or specified by the Designer , costs of managing or supervising construction, and installation.

Unless mutually agreed otherwise, the Project Cost shall include Contractors' overhead and profit, the cost of labor and materials furnished by the Client, together with any equipment so furnished, whether fixed or movable, and any furniture or furnishings so furnished, providing said equipment, furniture or furnishings have been designed, selected, or provided for by the Designer , including the costs of managing or supervising construction or installation.

Project Cost does not include the compensation of the Designer and the Designer 's consultants, or other costs, which are the responsibility of the Client as, provided in Article 3.

Evaluations of the Client's Project budget, Statements of Probable Project Cost, and detailed estimates of Project cost, if any, represent the Designer 's best judgment as a design professional familiar with interior design. It is recognized, however, that neither the Designer nor the Client has any control over the cost of labor, materials, furniture, furnishings, or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market, or negotiating conditions. Accordingly, the Designer cannot and does not warrant or represent that bids or negotiated prices will not vary from the Project budget proposed, established, or approved by the Client, if any, or from any Statement of Probable Project Cost or other cost estimates or evaluation prepared or reviewed by the Designer .

ADDR: 513 E FRANKLIN ST, ENDICOTT, NY 13760
EMAIL: AR_Operatellc@hotmail.com
PHONE: (607) 444-1165

If Bidding or Negotiating has not commenced within three months after the Designer submits the proposed Contract Documents to the Client, any Project budget or fixed limit of Project Cost shall be adjusted in writing and agreed to by the parties to reflect any change in the general level of prices which may have occurred in the industry between the date of submission of the Contract Documents to the Client and the date on which proposals are sought.

ARTICLE 5

PROJECT AREA

If the net, rentable, or gross floor area of spaces for which interior design services are to be performed, defined as the Project Area, is used as a basis for the Designer 's Basic Compensation, it shall be the greater of; that area computed as set forth in the edition of the BOMA (Building Clients and Managers Association) standards current as of the date of this Agreement or as calculated by the Client's landlord, if any.

ARTICLE 6

PAYMENTS TO THE DESIGNER

6.1 PAYMENTS ON ACCOUNT OF BASIC SERVICES

Designer shall submit to Client invoices for all Services periodically as deemed fit and shall be in proportion to services performed within each Phase of services. Payments for such Basic Services not in dispute shall be made within 30 days of invoice date. Payments overdue after 45 days from invoice date will be subject to late charges. Payment of late charges will not cure a failure to make payments when due.

If and to the extent that the Contract Time initially established in any Contract is exceeded or extended through no fault of the Designer , compensation for any Basic Services required for such extended period of Administration of the Contract shall be computed for Additional Services.

6.2 PAYMENTS ON ACCOUNT OF ADDITIONAL SERVICES

Designer shall submit to Client invoices for Additional Services on a periodic basis as deemed fit. Payments for such Additional Services and Reimbursables not in dispute shall be made within 30 days of invoice date. Payments overdue after 45 days from invoice date will be subject to late charges. Payment of late charges will not cure a failure to make payments when due.

6.3 PAYMENTS WITHHELD

No deductions shall be made from the Designer 's compensation on account of penalty, liquidated damages, or other sums withheld from payments to Contractors, or on account of the cost of changes in the Work, other than those for which the Designer is held legally liable.

6.4 PROJECT SUSPENSION OR TERMINATION

If the Project is suspended or abandoned in whole or in part for more than three (3) months, the Designer shall be compensated for all services performed prior to receipt of written notice from the Client of such suspension or abandonment, together with Reimbursable Expenses then due and all Termination Expenses. If the Project is resumed after being suspended for more than three (3) months, the Designer 's compensation shall be equitably adjusted as agreed between the parties and the parties shall review Project schedules and budget.

6.5 DESIGNER'S RIGHT TO STOP WORK

Designer shall have the right to stop work at any time payments are overdue 45 days after date of invoice, unless such payments are in dispute. In the event payments are in dispute, Designer shall have the right to stop work unless Client has paid Designer all amounts not in dispute, and has within 45 days of the date of the invoice provided Designer with a written statement setting forth the grounds for the dispute and the amount thereof.

Designer shall have the right to stop work if disputes over schedule changes and fees are not resolved within sixty (60) days from the date the dispute was noticed in writing to the other party. Designer shall give a written thirty (30) day notice of intent to stop work due to dispute(s). Work shall resume upon resolution of the dispute.

ARTICLE 7

DISPUTE RESOLUTION

If any disagreement shall arise among the parties with respect to the performance of this Agreement or its termination, or with respect to any other matter, cause, or thing whatsoever not herein otherwise provided for, such disagreement shall be referred to the CEOs or principals of Client and Designer and, if they fail to agree, the disagreement may be decided by alternative forms of dispute resolution, as mutually agreed, or otherwise determined by such remedies of law as are available to the parties.

ARTICLE 8

TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon seven (7) day's written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination.

This Agreement may be terminated by the Client on seven (7) day's written notice to the Designer in the event that the Project is permanently abandoned or work on the Project is to be suspended for an indefinite or extended period of time.

In the event of termination not the fault of the Designer, the Designer shall be compensated for all services performed to termination date, together with any Reimbursable Expenses then due and all Termination Expenses.

Termination expenses shall be calculated as a fee equal to one month's direct personnel expense for each of the primary personnel working on the Project. For purposes of this provision, primary personnel shall be defined as Kai Broms, Jefferson Choi, and Susan Melkonians. Upon any such termination, Designer waives and forfeits all other claims for payment for services, including without limitation, anticipated profits. In connection with any payments owed to Designer upon termination, Client shall be credited for all payments, if any, previously made to Designer for the terminated portion of the work.

Should Designer not complete all Basic Services described and agreed to by the parties in this Agreement, Client will hold Designer harmless for the Project and for any damages resulting from the services provided.

Should Client and Designer be unable to resolve any disputes within sixty (60) days from the date the dispute was first noticed to the other party, either party shall have the right to terminate this Agreement upon seven (7) days written notice to the other.

ARTICLE 9

OTHER CONDITIONS OR SERVICES

The following services shall be included as part of the Designer 's Basic Services: None.

This Agreement executed as of the day and year first written above.

Client

Designer

Name: _____

Name: _____

Signature: _____

Signature: _____