

TAX APPEAL BOARD OF THE STATE OF DELAWARE

ELLIOTT & KENNAMON CONSTRUCTION,
COMPANY, :
:
Petitioner, :
:
v. :
:
DIRECTOR OF REVENUE, :
Respondent :

Docket no. 855

RECEIVED
APR 10 1987
TAX APPEAL BOARD

Before: Joseph S. Yucht, Esquire, Chairman; John H. Cordrey, Esquire, Vice Chairman; Regina Dudzic, Harry B. Roberts, Jr., and David C. Eppes, Members.

H. Clay Davis III, Esquire, for Petitioner.

Joseph Patrick Hurley, Jr., Esquire, Deputy Attorney General for Respondent.

DECISION AND ORDER

David C. Eppes, Member. The parties have stipulated to the facts of the case ("Exhibit A"). A brief summary of the facts show that Petitioner, Elliott & Kennamon Construction Company, a non-resident contractor, performed certain sub-contract services for a Delaware resident contractor on a contract located within Delaware. Respondent has assessed Petitioner for license taxes related to the contracts under 30 Delaware Code Section 2503(b), as well as penalties where indicated.

Petitioner admits doing the work under the contracts but contends that the provisions of 30 Delaware Code Section 2503 require the Respondent to proceed against the Resident general contractor for the taxes owed.

The sole question presented to the Board is whether 30 Delaware Code Section 2503 requires Respondent to proceed against the Resident contractor and cease proceedings against the Petitioner. The statute provides in part:

Every architect or mechanical engineer or general contractor engaging in the practice of such profession before the payments of any award or amount payable to any contractor or subcontractor not a resident of this State, shall ascertain from said non-resident contractor or subcontractor or the Department of Finance, whether he has obtained a license and satisfied his liability to the State under this chapter, and if said license has not been obtained and the license liability paid by the non-resident contractor or subcontractor, the architect or mechanical engineer or general contractor shall deduct from the award or amount payable to said non-resident contractor or subcontractor, the amount of said license liability and shall pay same to the Department of Finance within ten days after final payment and settlement with the

non-resident contractor or subcontractor. Failure to ascertain the payment of license liability of any contractor or subcontractor not a resident of this State by any architect or mechanical engineer or general contractor, in accordance with this section shall render the architect or mechanical engineer or general contractor personally liable for the license liability of the non-resident contractor or subcontractor.

It is the opinion of the Board that 30 Delaware Code Section 2503 provides the State with an additional means of enforcement and collection of the Non-resident contractor license tax. The Board rejects the argument that the wording of the statute places a duty on the State to proceed against the Resident general contractor, to the exclusion of any claim against the Non-resident subcontractor. The Board relies on the clear meaning of the statute. The Director's decision is affirmed.

IT IS SO ORDERED.

James C. [Signature]
Thomas B. [Signature]
[Signature]
John N. Cordray
Virginia A. [Signature]

Dated: April 10, 1987

d. Petitioner admits doing work under the contracts for the period January 1982 through April 1985.

4. The sum of the taxes in controversy, exclusive of penalty and interest is \$6,492.00.

5. The sum of the penalties in controversy is \$3,700.33.

6. The alleged error is the determination of taxes based on the following:

There is a provision for collection against a general contractor for enforcement of the tax which must be followed.

7. The issues to be determined are the same as described in number 6 above.

IN WITNESS WHEREOF, we have hereunto set our Hands and Seals this

6th, Feb, 1986.

Vickie L. Dancy
Witness

H. Clay Davis III (SEAL)
H. Clay Davis III, Esquire
Attorney for Petitioner

DIRECTOR OF REVENUE

BY: A. Robert Hurby (SEAL)
Deputy Attorney General

Witness

STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
DELAWARE STATE BUILDING
820 N FRENCH STREET
WILMINGTON, DELAWARE 19801

1941702
Rev. Code 101

Elliott & Kennamon Construction Co.
322 South Division Street
Salisbury, Md. 21801

Date of Notice: 06/27/85
Taxable Year: 1982, 1983, 1984, 1985
E.I. or S.S. No. 52-1174027
Type of License: Non-Resident Contractor
Tax \$250.00
Interest \$ 48.50
Penalty \$117.50
Total \$416.00

Proposed
Assessment

NOTICE OF ASSESSMENT

Pursuant to the provisions of Chapter 21, Title 30, Delaware Code, you are hereby notified of the proposed assessment of a license tax deficiency, including interest and penalty, in the amount indicated above.

This deficiency arises as a result of the examination of your license tax return. Further details concerning the proposed deficiency are attached hereto.

If you agree with the assessment, please sign the original of the enclosed Agreement and return it to this office within ten days along with your remittance in full. This will stop the running of any additional interest or penalty.

If you do not agree to the proposed assessment, the law provides that within thirty (30) days from the date of this notice, you may file a written protest with the Director of Revenue, setting forth the grounds on which the protest is based; if requested, an oral hearing will be granted with a Conferee from the Division of Revenue.

If you do not agree to the proposed assessment and do not file a written protest with the Division of Revenue, the law provides that, within thirty (30) days from the date of this notice, you may file a petition for the review of this assessment with the Tax Appeal Board.

If you do not file a written protest with the Division of Revenue or a petition for review with the Tax Appeal Board within thirty (30) days, the law provides that this proposed assessment shall constitute a final assessment and Division of Revenue will proceed with action to collect the deficiency.

Very truly yours,

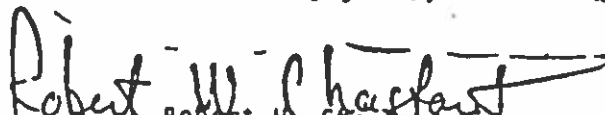

ROBERT W. CHASTANT
Director of Revenue

EXHIBIT A

DIVISION OF REVENUE
REVENUE AGENT'S AUDIT REPORT AND AGREEMENT TO ASSESSMENT

Rev Code 161

Name Elliott + Kennaman Construction Co
 Address 322 South Division Street
Solihay, Md 21801

Date of this Report June 12, 1985
 S.S. or E. I. No. 52-1174027

Type of Delaware Tax Non-Resident Contractor
 Taxable Period: 1982, 1983, 1984, 1985

Chapter 25, Title 30 Delaware Code

Taxable Basis (100%) As Reported On Return

Additions:

<u>Basis License Fees</u>	<u>\$ 250.00</u>
_____	_____
_____	_____
_____	_____
_____	_____

Total Additions
 Total

\$ 250.00
\$ 250.00

Subtractions:

<u>None</u>	<u>\$ -</u>
_____	_____
_____	_____
_____	_____
_____	_____

Total Subtractions

\$ -
\$ 250.00
\$ 250.00
\$ -
\$ 250.00
\$ 117.50
\$ 48.50
\$ 416.00

Adjusted Taxable Basis

Tax On Adjusted Basis (100%)

Tax As Reported On Return

Proposed Deficiency

Penalty - See ~~Schedule No. 2 on reverse side~~

Interest (including current month) - See ~~Schedule No. 1 on reverse side~~

Total Proposed Deficiency, Interest, and Penalty

Name Randy K. Miller Date 6/12/85 Title Revenue Officer Section S/B

AGREEMENT TO ASSESSMENT

The undersigned hereby waives all rights to further hearings on the proposed deficiency as set forth above and consent is given to the assessment and collection of the tax due, together with penalties and interest as provided by law.

(Date)

(Signature of Taxpayer or Officer)

(Title or Officer)

DETAIL STATEMENT OF ANNUAL LICENSE FEE DUE FOR PRIOR YEAR(S)

Rev. Code 101

E. GROSS NO. 52-1174027

Non Resident

TYPE OF LICENSE: Contractor

BC 335

NAME: ELLIOTT + KENILAMON GEN. CO

ADDRESS: 322 South Mission St
Salisbury,
Md 21801

LICENSE YEAR	LICENSE FEE	PEN.	INT.	TOTAL	REMARKS
1982	50.00	50.00	21.00	121.00	42
1983	50.00	25.00	15.00	90.00	50
1984	50.00	25.00	9.00	84.00	78
* 1985 (mar)	50.00	10.00	2.00	62.00	4
* 1985 (Apr)	50.00	7.50	1.50	59.00	3
TALS	250.00	117.50	48.50	416.00	

NOTE: CURRENT YEAR PAYMENT MUST BE PROCESSED ON RENEWAL FORM OR NEW LICENSE APPLICATION

Date 5/23/85

Compliance Officer

Lenly R Wells

5090 (1/76)

* TP had 2 Delaware contracts in Delaware in 1985 (now complete)

P/I → 6/30/85



STATE OF DELAWARE
 DEPARTMENT OF FINANCE
 DIVISION OF REVENUE
 DELAWARE STATE BUILDING
 820 N. FULTON STREET
 WILMINGTON, DELAWARE 19801

1941712

Rev. Code 028

Elliott & Kennamon Construction Co.
 322 South Division Street
 Salisbury, Md. 21801

Date of Notice: 06/27/85
 Taxable Year: 1982 - 1985
 E.I. or S.S. No. 52-1174027
 Type of License: Non Resident Contractor

Proposed	Tax	\$ 6,242.00
Assessment	Interest	\$ 1,279.74
	Penalty	\$ 3,582.83
	Total	\$11,104.57

NOTICE OF ASSESSMENT

Pursuant to the provisions of Chapter 21, Title 30, Delaware Code, you are hereby notified of the proposed assessment of a license tax deficiency, including interest and penalty, in the amount indicated above.

This deficiency arises as a result of the examination of your license tax return. Further details concerning the proposed deficiency are attached hereto.

If you agree with the assessment, please sign the original of the enclosed Agreement and return it to this office within ten days along with your remittance in full. This will stop the running of any additional interest or penalty.

If you do not agree to the proposed assessment, the law provides that within thirty (30) days from the date of this notice, you may file a written protest with the Director of Revenue, setting forth the grounds on which the protest is based; if requested, an oral hearing will be granted with a Conferee from the Division of Revenue.

If you do not agree to the proposed assessment and do not file a written protest with the Division of Revenue, the law provides that, within thirty (30) days from the date of this notice, you may file a petition for the review of this assessment with the Tax Appeal Board.

If you do not file a written protest with the Division of Revenue or a petition for review with the Tax Appeal Board within thirty (30) days, the law provides that this proposed assessment shall constitute a final assessment and Division of Revenue will proceed with action to collect the deficiency.

Very truly yours,

Robert W. Chastant

Robert W. Chastant
 Director of Revenue

EXHIBIT A-1

STATE OF DELAWARE
DIVISION OF REVENUE

REVENUE AGENT'S AUDIT REPORT AND AGREEMENT TO ASSESSMENT

Rev Code 025

EYHOFF + KENNAMON CONSTRUCTION
322 South Division St
Salisbury, Md 21801

Date of this Report June 12, 1985
E. L. No. 52-1174027

Type of Delaware Tax: License - GC335
Taxable Period: 1982 thru 1985
Taxable Basis (0065) As Reported On Return

Chapter 25, Title 30 Delaware Code

Additions:
Miss Receipts

960,284.39

Total Additions
Total

960,284.39
960,284.39

Deductions:

0

Total Subtractions

Adjusted Taxable Basis

0

Adjusted Basis (.0000)

960,284.39

Reported On Return

6242.00

Proposed Deficiency

0

Penalty - See Schedule No. 2 on reverse side

6242.00

Interest (including current month) - See Schedule No. 1 on reverse side

3582.83

Proposed Deficiency, Interest, and Penalty

1279.74

11,104.57

Randy R. Walker Date 6/12/85 Title Revenue Officer Section 51B

AGREEMENT TO ASSESSMENT

I, undersigned hereby waives all rights to further hearings on the proposed deficiency as set forth above and consent to the assessment and collection of the fee due, together with penalties and interest as provided by law.

(Date)

(Signature of Taxpayer or Officer)

(Title or Officer)

DIVISION OF REVENUE
 DETAIL STATEMENT OF LICENSE TAX
 DUE FOR PRIOR PERIODS

FORM NO. 52-1174027

TYPE OF LICENSE: Non-Resident CONTRACTOR IC 335

NAME: Elliott + Kennamon Construction Co

ADDRESS: 322 South Division St
Salisbury,
Md 21801

REV. CODE 028

Page 1 of 2

PERIOD ENDING	GROSS RECEIPTS PURCHASES <u>X</u>	EXCLUSION	AMT SUBJECT TO TAX	TAX RATE	AMOUNT DUE				PRIOR PAYMENT
					TAX	PEN.	INT.	TOTAL	
1/82	14,829.50	-	14,829.50	0065	96.40	96.40	36.56	231.36	40
2/82	12,032.33	-	12,032.33	0065	78.21	78.21	30.51	186.93	39
3/82	25,960.20	-	25,960.20	0065	168.75	168.75	64.13	401.63	38
4/82	55,960.90	-	55,960.90	0065	363.75	363.75	134.59	862.09	37
5/82	45,568.98	-	45,568.98	0065	296.20	296.20	106.64	699.04	36
6/82	43,212.30	-	43,212.30	0065	272.32	272.32	95.32	639.96	35
7/82	7920.00	-	7920.00	0065	51.48	25.74	16.99	94.21	34
8/82	11,271.13	-	11,271.13	0065	73.27	36.64	23.45	133.36	33
9/82	20,294.00	-	20,294.00	0065	131.92	65.96	40.90	238.78	32
10/82	- 0 -	-	-	0065	-	-	-	-	31
11/82	- 0 -	-	-	0065	-	-	-	-	30
12/82	- 0 -	-	-	0065	-	-	-	-	29
Subtotal Dec 1982		=	278,944.34	0065	1813.18	1544.41	646.59	4004.18	
1/83	9195.05	-	9,195.05	0065	59.77	29.89	16.74	106.40	28
2/83	33,944.00	-	33,944.00	0065	220.64	110.32	59.58	390.54	27
3/83	32,043.17	-	32,043.17	0065	208.28	104.14	54.16	366.58	26
4/83	43,153.65	-	43,153.65	0065	280.76	140.38	70.19	491.33	25
5/83	21,738.85	-	21,738.85	0065	141.31	70.66	33.92	245.89	24
6/83	5090.10	-	5090.10	0065	33.09	16.55	7.61	57.25	23
7/83	- - -	-	-	0065	-	-	-	-	22
8/83	9360.28	-	9360.28	0065	60.85	30.43	12.78	104.06	21
Sub TOTALS			433,509.44		2817.88	2046.78	901.57	5766.23	
LESS PRIOR PAYMENTS			-		-	-	-	-	
Sub TOTAL AMT DUE			433,509.44		2817.88	2046.78	901.57	5766.23	

NOTE: CURRENT MONTH TAXES MUST BE PROCESSED ON APPLICABLE FORMS.

MAY 23 1983
 DATE

Randy R. Wells
 COMPLIANCE OFFICER

DIVISION OF REVENUE
 DETAIL STATEMENT OF LICENSE TAX
 DUE FOR PRIOR PERIODS

E. NO. 52-1174027

TYPE OF LICENSE

Non-Resident

BC 335

NAME: Elliot & Kennamon Construction Co

ADDRESS: 322 South Division St
Salisbury,
md 21801

REV. CODE 028

Page 2 of 2

PERIOD ENDING	GROSS RECEIPTS & PURCHASES	EXCLUSION	AMT SUBJECT TO TAX	TAX RATE	AMOUNT DUE				PRIOR PAYMENT:
					TAX	PEN.	INT.	TOTAL	
9/83	22,495.46	-	22,495.46	.0065	146.22	73.11	29.25	248.58	0.
10/83	22,741.25	-	22,741.25	.0065	147.82	73.91	28.09	249.82	19
11/83	30,155.85	-	30,155.85	.0065	196.02	98.01	35.29	329.32	18
12/83	-	-	-	.0065	-	-	-	-	7
1/84	13,283.55	-	13,283.55	.0065	89.60	44.80	14.34	148.74	16
2/84	6,241.00	-	6,241.00	.0065	40.57	20.29	6.09	66.95	15
3/84	30,054.05	-	30,054.05	.0065	195.36	97.68	27.35	320.39	14
4/84	19,506.40	-	19,506.40	.0065	126.80	63.40	16.49	206.69	13
5/84	44,623.40	-	44,623.40	.0065	290.06	145.03	34.81	469.90	12
6/84	37,757.75	-	37,757.75	.0065	245.43	122.72	27.00	395.15	11
7/84	85,294.43	-	85,294.43	.0065	554.42	277.21	55.45	887.08	10
8/84	78,310.66	-	78,310.66	.0065	509.02	254.51	45.82	809.35	9
9/84	40,495.35	-	40,495.35	.0065	263.22	131.61	21.06	395.89	8
10/84	40,045.35	-	40,045.35	.0065	260.30	130.15	20.82	391.27	7
11/84	41,021.80	-	41,021.80	.0065	266.15	133.08	21.60	420.83	6
12/84	6,865.65	-	6,865.65	.0065	44.63	22.31	5.54	72.48	5
1/85	-	-	-	-	-	-	-	-	4
2/85	-	-	-	-	-	-	-	-	3
3/85	2,675.00	-	2,675.00	.0065	17.39	8.69	2.15	18.23	2
4/85	4,708.00	-	4,708.00	.0065	30.61	15.30	3.82	49.73	1
TOTALS			960,284.39		6,242.00	3,582.53	1,279.74	11,104.57	
LESS PRIOR PAYMENTS									
TOTAL AMT DUE			960,284.39		6,242.00	3,582.53	1,279.74	11,104.57	

NOTE: CURRENT MONTH TAXES MUST BE PROCESSED ON APPLICABLE FORMS.

5/28/85
 DATE

Ready & Willet
 COMPLIANCE OFFICER

(3/82)

1-1 => 6/20/85

SUB-CONTRACT

SEA COLONY DEVELOPMENT CORPORATION, INC.
1400 Spring Street
P.O. Box 20819
301488-5552
11325 Seven Locks Road
Potoso, Maryland 20854
(301) 983-0400

PROJECT: Sea Colony West - Phase VIII
JOB NO. 52.90
BUDGET NO. 3530
BUDGET ITEM Carpentry
CONTRACT AMT: \$530,000
DESCRIPTION: 88 Townhouse Units
VENDOR CODE: 19866

This agreement, made and entered into this February day of 1984, by and between Sea Colony Development Corporation, Inc.,

Name: Killott/Kinerson Construction Co. Contact: Mr. Paul Killott
128 East Rustic Drive P.O. Box 2222 Telephone: 301, 742-1475
Salisbury, Maryland 21801 (301) 546-5550

Hereinafter referred to as the subcontractor, hereby represented and warranted that he is a duly licensed contractor and is qualified to perform the work herein.

WITNESSETH: in consideration of the covenants and agreements contained within, the parties agree as follows:

ARTICLE I
SCOPE OF THE WORK

The subcontractor shall furnish all material, labor, supervision, tools, equipment, insurance and every item of every nature to perform the Carpentry work at the above mentioned project, all in accordance with the plans and specifications as prepared by James Ritter, Architect dated and revised December 21, 1983. FHA/VA Minimum Property Standards, State and Local codes and ordinances, including agencies, as directed by Sea Colony and including but not limited to the items in Schedule A.

ARTICLE II
PRODUCTION SCHEDULE

The subcontractor shall follow the Sea Colony West, Phase VIII production schedule and produce 6 units per week as required by Sea Colony. The subcontractor represents this schedule and acknowledges that his work force will produce at the rate required. Failure, by this subcontractor, to keep to the production of his contract, while continuing his workmanship in the best of quality, will allow Sea Colony to complete all or part of the remaining work of this subcontractor at the administrator's expense. Twenty-four (24) hour notice shall be considered adequate time to remove this subcontractor from the project, when notified by telegram or registered mail.

ARTICLE III
LEAD TIME

The subcontractor shall submit NA days of lead time of this contract submit the necessary shop drawings to NA for approval. The subcontractor shall commence the work of this contract within 5 days after receipt of notice from Sea Colony and shall diligently prosecute the work until completion.

ARTICLE IV
THE CONTRACT SUM

Sea Colony shall pay the subcontractor the total sum of Five Hundred Thirty Thousand dollars (\$ 530,000.00) as shown in Schedule B. The contract sum shall remain firm, exception being charges in the scope of the work and/or specifications and that a change order has been issued by Sea Colony.

ARTICLE V
PROGRESS PAYMENTS

The Contractor of the Corporation shall be the sole person to have the authority to approve earlier payment should subcontractor miss his billing deadline. Sea Colony retention fund of 5% shall be held by Sea Colony. Contract billing shall be made on a monthly basis. If billing and payment date should fall on a legal holiday, the last prior working day shall be the billing date. If payment date should fall on a legal holiday, the next working day shall be the payment date. These billing and payment dates are for completed work only. Extra on contract that are paid on a Sea Colony purchase order will be processed immediately. All work completed and inspected by Sea Colony (20) of the month shall be due and payable within twenty-five (25) calendar days subsequent to the billing date. All payments shall be made by check and approved prior to any payments being made to subcontractor.

ARTICLE VI
RETENTION

Five (5%) retention per cent of all billings shall be held by Sea Colony to insure that the subcontractor's work has been performed in accordance with all requirements applicable to his work. The subcontractor shall bill Sea Colony for the retention thirty (30) days after the withholding date.

ARTICLE VII
ACCEPTANCE AND FINAL PAYMENT

The subcontractor shall bill Sea Colony for final payment thirty-five (35) days after inspection and acceptance of the work by Sea Colony and all in accordance with the contract documents.

ARTICLE VIII

The subcontractor warrants and agrees that he is fully conversant with all the terms, conditions and obligations of the contract documents, the location of the job site, the conditions under which the work is to be performed and that he enters into this contract based on his own investigations of all such matters and is not relying upon any opinions or representations of Sea Colony. It is understood and agreed that this contract represents the entire agreement and no verbal agreements exist. In witness whereof, the parties have executed this agreement for themselves, their respective heirs, executors, administrators, successors and assigns on the day and year next before.

Subcontractor: Paul Killott Contractor: SEA COLONY DEVELOPMENT CORPORATION, INC.
By: Paul Killott Title: Partner
By: [Signature] Title: [Signature]
Budget Code: 1084 Date: 3/5/84

White—Controller Green—Construction Manager Canary—Subcontractor Copy Pink—File Copy Goldenrod—Field Copy

EXHIBIT B

GENERAL CONDITIONS

- CORRELATION AND INTENT OF DOCUMENTS:**

It is understood that the intent of this contract is to provide a complete job with all requirements specified by the subcontractor's work. Conflicting conditions, omissions, or omissions shall be resolved by the subcontractor in favor of the Subcontractor Corporation. The subcontractor shall be responsible for the cost, and failing to do so, the subcontractor shall be responsible for all costs.
- MATERIALS AND SUPPLIES:**

Unless otherwise specified, the subcontractor shall provide and pay for all materials, labor, installation, handling, storage, equipment, tools, instruments, and other facilities of every kind and quantity necessary for the proper and efficient execution and completion of the work.
- SAMPLES AND INSPECTIONS:**

The subcontractor shall provide a sufficient number of samples, and/or shop drawings, and/or other information, as may be required by the Subcontractor Corporation, Inc., for approval. There shall be no charge for the preparation of samples, or for the cost of any other information.
- TAXES:**

The subcontractor shall be responsible for all taxes, including sales taxes, required by law.
- LAWS AND REGULATIONS:**

The subcontractor shall comply with all laws, ordinances, rules and regulations bearing on the execution of the work as planned and specified. If the contractor is required to obtain any permits, licenses, or other approvals, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- SAFETY:**

The subcontractor shall be responsible for the safety of his employees and the public, and shall comply with all applicable provisions of Federal, State, County, and Municipal safety laws and regulations to prevent accidents or injury to persons on, about, or adjacent to the premises where the work is being performed. The Subcontractor Corporation, Inc., reserves the right to halt work on the job if the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations.
- INSPECTION AND CORRECTION OF WORK:**

The Subcontractor Corporation, Inc., shall have the right to inspect the work at any time and place where the work is being performed. If the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- SUBCONTRACTOR SUPPLIER AND MANUFACTURERS WARRANTIES:**

The subcontractor shall be responsible for the safety of his employees and the public, and shall comply with all applicable provisions of Federal, State, County, and Municipal safety laws and regulations to prevent accidents or injury to persons on, about, or adjacent to the premises where the work is being performed. The Subcontractor Corporation, Inc., reserves the right to halt work on the job if the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations.
- COLLECTION OF WORK AFTER FINAL PAYMENT:**

The Subcontractor Corporation, Inc., shall have the right to inspect the work at any time and place where the work is being performed. If the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- CHANGES IN THE WORK:**

The Subcontractor Corporation, Inc., shall have the right to inspect the work at any time and place where the work is being performed. If the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- CONTRACTOR'S OBLIGATIONS:**

The Subcontractor Corporation, Inc., shall have the right to inspect the work at any time and place where the work is being performed. If the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- LIABILITY:**

The Subcontractor Corporation, Inc., shall have the right to inspect the work at any time and place where the work is being performed. If the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- FIRE INSURANCE AND EXTENDED COVERAGE:**

The Subcontractor Corporation, Inc., shall have the right to inspect the work at any time and place where the work is being performed. If the contractor fails to comply with any laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, or if the contractor fails to comply with any safety laws, ordinances, rules and regulations, the contractor shall be responsible for the cost of such permits, licenses, or other approvals, and for the cost of any other information.
- GUARANTY BONDS:**

The Subcontractor Corporation, Inc. shall have the right to require that the subcontractor obtain a performance and completion bond covering the faithful performance of the contract and the payment of all obligations arising thereunder, in such form as the Subcontractor Corporation, Inc. may require. If such bond is required by instructions given previous to the submission of bid, the premium shall be paid by the subcontractor; if subsequent thereto, it shall be paid by the Subcontractor Corporation, Inc.
- ASSIGNMENT:**

The subcontractor shall not assign the whole or any part of this contract or his rights under this contract without the prior written approval of the Subcontractor Corporation, Inc.
- SEPARATE SUBCONTRACTS:**

The Subcontractor Corporation, Inc. reserves the right to let other subcontracts in connection with this work under similar general conditions. To secure the proper execution of subsequent work, the subcontractor shall promptly report to the Subcontractor Corporation, Inc. any defects in previous subcontractor's work that render it unsuitable for the subcontractor's proper execution. Any discrepancies in plans and/or specifications should also be immediately reported to the Subcontractor Corporation, Inc.
- MUTUAL RESPONSIBILITY OF SUBCONTRACTORS:**

Should the Subcontractor cause damage to any other subcontractor on the job, the Subcontractor shall be responsible for the damage to such subcontractor by agreement or arbitration. If such damage is caused by the Subcontractor, the Subcontractor shall be responsible for the damage to such subcontractor by agreement or arbitration. The Subcontractor shall be responsible for the damage to such subcontractor by agreement or arbitration. The Subcontractor shall be responsible for the damage to such subcontractor by agreement or arbitration.
- CLEAN UP:**

Unless otherwise specified in this contract, the subcontractor shall clean up all debris resulting from his work in place designated by the Job Superintendent. The subcontractor shall clean up his work "Broom Clean" or its equivalent. If the subcontractor fails to clean up his work within twenty-four (24) hours after notification by the Subcontractor Corporation, Inc., the Subcontractor Corporation, Inc. reserves the right to perform the clean up and to charge the subcontractor for the cost thereof.
- MAINTENANCE AND PROTECTION OF WORK:**

The subcontractor shall be responsible for the damage to areas surrounding his work or damage to his work by his own personnel.
- PUBLIC UTILITIES:**

All overhead lines, gas, electric, and telephone lines, and all surface and subsurface structures, whether or not known to the subcontractor, shall not be disturbed, damaged or destroyed by the subcontractor during his course of work. If damage should occur, all expenses relating to the repair of said damage shall be borne by the subcontractor.
- SOCIAL EMPLOYMENT OPPORTUNITY:**

The subcontractor agrees to be bound by, and to comply with, all the provisions of Presidential Executive Order 10875 and as may thereafter be amended. The foregoing provisions shall not apply to the subcontractor if the subcontractor is not an employer, as defined in said Executive Order, or if the subcontractor is not a contractor for the Subcontractor Corporation, Inc. in such payment from the subcontractor for all damages incurred.
- LABOR DISTURBANCES:**

The Subcontractor Corporation, Inc. may terminate this Contract if the presence of the subcontractor on the job site results in picketing, work stoppage or labor problems which interfere with any part of the work, even though the subcontractor may not be directly involved with this Contract. In the event of such termination, the subcontractor shall be held liable for the work he has completed. It is understood that the Subcontractor Corporation, Inc. is not acting as an employer, therefore, any labor disturbances are the responsibility of the subcontractor.
- GOVERNING LAW:**

The Contract shall be governed by the law of the place where the job site is located.
- CEASEMENT:**

In the event of a strike or lockout of the utility companies, or any other cause beyond the control of the Subcontractor Corporation, Inc., the Subcontractor Corporation, Inc. may be terminated at the option of the Subcontractor Corporation, Inc. In the event of such termination, the subcontractor shall be held liable for the work performed pursuant to this Contract. This provision shall not be construed as a limitation of the Subcontractor Corporation, Inc. rights and remedies hereunder in the event of a breach of this Contract by the subcontractor.
- THEFT OF MATERIALS:**

The subcontractor shall be responsible for the theft of materials on the job site. If the subcontractor is responsible for the theft of materials, the subcontractor shall be held liable for the cost of such materials. The subcontractor shall be held liable for the cost of such materials. The subcontractor shall be held liable for the cost of such materials.
- REPAIR OF DAMAGE:**

The subcontractor shall be responsible for the repair of damage to areas surrounding his work or damage to his work by his own personnel.
- WORK COORDINATION:**

The subcontractor shall coordinate his work with the Job Superintendent.
- SEPARATE SUBCONTRACTS:**

The Subcontractor Corporation, Inc. reserves the right to let other subcontracts in connection with this work. To secure the proper execution of subsequent work, the subcontractor shall promptly report to the Subcontractor Corporation, Inc. any defects in previous subcontractor's work that render it unsuitable for the subcontractor's proper execution. Any discrepancies in plans and/or specifications should also be immediately reported to the Subcontractor Corporation, Inc.
- LIABILITY TO OTHERS:**

The subcontractor shall be responsible for the liability of the owner from all liability and loss because of injury (including death) to any person, or damage to any property that may occur as a result of the work performed by the subcontractor or any subcontractor's fault or negligence, or of their servants, agents, and employees, and subcontractors whether or not such injury or damage is also attributable to the owner's fault or negligence. At his own expense, the subcontractor shall defend all suits or claims alleging such injury or damage and shall pay all charges of attorney's court costs, and all other costs and expenses in connection therewith. These general conditions shall survive acceptance of the work and completion of the contract.

SCHEDULE A

SCOPE OF THE WORK

SUBCONTRACTOR

NAME: Elliot/Kinnaman Construction JOB NAME: Sea Colony West-Private Place II
 ADDRESS: P.O. Box 2222 JOB NO.: 52.70
Salisbury, MD 21801 BUDGET CODE: 3530
 TELEPHONE: (001) 546-5550 BUDGET ITEM: Carpentry
 CONTACT: Paul Elliot VENDOR CODE: 19866
 DATE: _____

9. Schedule of values are as follows and based on work in-place and complete:

- 15% Girder beams
1st deck complete
- 20% Roof Framing w/sheathing ready for papering
- 10% All interior partitions in place w/backup, etc., complete, ready for mechanical trades
- 10% Ready for close-in w/windows, doors, bulkheads weather-tight
- 20% Exterior siding, cornices, and trim 100% ready for painter
- 10% Interior trim including cabinet set
- 10% Exterior decks with fancing and stairs
- 5% Finish hardware, including appliances, spiral stairs, caps, rails, etc., ready for occupancy.

100%

10. This subcontractor shall clean up and place all debris resulting from his work in the dumpster located on the job. He shall maintain a clean site and be required to clean up daily if required and/or directed by Sea Colony.

11. This subcontractor guarantees and warrants his workmanship and/or materials unconditionally for one year from time of settlement per unit.

12. The hourly rate for extra work beyond the scope of this contract, if extra work is approved in writing by the job superintendent, shall be done at ~~\$12.00~~ ^{12.50 P.H.} per hour rate, which includes all taxes, overhead, and profit.

13. Subcontractor will supply all required machinery to perform the carpentry work as outlined in this contract. Exclusive of fork-lift which he shall be reimbursed at the rate of \$1,200.00 per month, not to exceed a total of \$3,600.00.

14. Subcontractor will be responsible for the following work items as well as any other specifically mentioned in this contract:

- a. Wood vent louver
- b. Exterior rails - including drillings for dowels
- c. Cutting of all piles to proper elevation; drilling and bolting of all beams as well as clean up of cut pile ends to dumpster supplied by Sea Colony.
- d. Installation of all address numbers, interior mirrors.
- e. Installation of fiberboard, 15th felt, T-111 plywood and butt caps with flashing for exterior skin system. Nailing method to be approved by Sea Colony job superintendent.
- f. Install built-in wood corners or T-111 as shown on drawings, and as directed.
- g. Silicone caulking of all fins and sills of all doors and windows as each unit is set. Caulking to be continuous bead and caulk materials will be supplied by Sea Colony.
- h. Installation of brick molding and doors and flashing above windows and doors and flashing at sill of sliding glass doors.
- i. Installation of fire rated 5/8" drywall to both sides of roof truss at party walls as directed by Delaware State Fire Marshall. Subcontractor must ensure proper seal of this material.

Subcontractor and/or Supplier's Initials

Contractor's Initials

SCHEDULE A

SUBCONTRACTOR

SCOPE OF THE WORK

NAME: Elliot/Kinnason Construction

JOB NAME: Sea Colony West, Private Place II

ADDRESS: P.O. Box 2222

JOB NO.: 52.70

Salisbury, MD 21801

BUDGET CODE: 3530

TELEPHONE: (301) 546-5550

BUDGET ITEM: Carpentry

CONTACT: Paul Elliot

VENDOR CODE: 19866

DATE: _____

- j. Installation of base and access panel
 - k. Installation of bridging, straps and bolts as shown in plans and as directed by job superintendent.
 - l. Cutting of any supply/waste holes in cabinets, vanities as required by plumbing rough-in.
 - m. Installation of approved firestopping materials at all openings between floors and/or units as directed by code and/or job superintendent.
 - n. Installation of proper sound reducing bridging and/or caulk at party walls between units and common floors.
15. This contract specifically includes all decks, stairs, storage areas, etc.
 16. It is this subcontractor's responsibility to have all billings approved by this job superintendent prior to submission to main office.
 17. Contract billing must utilize the attached schedule "B" form. Waiver of lien forms must be properly executed and submitted with every billing except the first. No payments shall be made unless this procedure is followed. A final release of lien must be properly executed prior to retention release.
 18. Sea Colony reserves the right to stop construction at any time. Should construction be stopped, subcontractor will be paid for all work satisfactorily completed to date according to attached schedule "B" form and this contract shall become null and void at the election of Sea Colony.
 19. This subcontractor shall have adequate supervisors, non-labor working, acceptable to Sea Colony, at all times while this subcontractor's work is in progress.
 20. Subcontractor shall have responsible persons with the authority to make decisions on his behalf at weekly job progress meetings as directed by Sea Colony.
 21. Subcontractor is responsible for successful implementation of Sea Colony construction schedule. Failure to meet said schedule may constitute breach of this contract.
 22. Schedule "B" form attached provides for billing per total building only. Therefore, the particular operation must be completed per building prior to acceptance of billing.

P.W.E.
Subcontractor and/or Supplier's Initials

[Signature]
Contractor's Initials

SUB-CONTRACT

SEA COLONY DEVELOPMENT CORPORATION, INC.
11325 Seven Looks Road
Potomac, Maryland 20854
(301) 983-0400

PROJECT: Sea Colony West - Phase VIII
JOB NO. 52.90
BUDGET NO. 3530
BUDGET ITEM: Carpentry
CONTRACT AMT: \$530,000
DESCRIPTION: 88 Townhouse Units
VENDOR CODE: 19866

This agreement, made and entered into this February day of 1984, by and between Sea Colony Development Corporation, Inc., a corporation, hereinafter referred to as Sea Colony, and

Name: Elliott/Kinross Construction Co. Contact: Mr. Paul Elliott
138 East Rustic Drive P.O. Box 2222 Telephone: (301) 742-1475
Beltsville, Maryland 21001 (301) 546-5550

Hereinafter referred to as the subcontractor. WITNESSETH, in consideration of the covenants and agreements contained within, the parties agree as follows:

ARTICLE I SCOPE OF THE WORK

The subcontractor shall furnish all material, labor, supervision, tools, equipment, insurance and every item of every nature to perform the Carpentry work at the above mentioned project, all in accordance with the plans and specifications as prepared by James Ritter, Architect dated and revised December 21, 1983. Local codes and ordinances, lending agencies, as directed by Sea Colony and including but not limited to the items in Schedule A. FHA/VA Minimum Property Standards, State and

ARTICLE II PRODUCTION SCHEDULE

The subcontractor shall follow the Sea Colony West, Phase VIII production schedule and produce 6 units per week as required by Sea Colony. The subcontractor recognizes this schedule and acknowledges that his work force will produce at the rate required. Failure by this subcontractor to keep to the production of his contract will continue his workmanship in the best of quality, will allow Sea Colony to complete all or part of the remaining work of this subcontract at the subcontractor's expense. Twenty-four (24) hour notice shall be considered adequate time to remove this subcontractor from the project, when notified by telegram or registered mail.

ARTICLE III LEAD TIME

The subcontractor shall submit the necessary shop drawings to NA for approval. The subcontractor shall commence the work of this contract within 5 days after receipt of notice from Sea Colony and shall diligently prosecute the work until completion.

ARTICLE IV THE CONTRACT SUM

Sea Colony shall pay the subcontractor upon successful performance of the contract, the total sum of Five Hundred Thirty Thousand as shown in Schedule B. The contract sum shall remain firm, exception being changes in the scope of the work and/or specifications and that a change order has been issued. 530,000.00 dollars is 530,000.00

ARTICLE V PROGRESS PAYMENTS

The Controller of the Corporation shall be the sole person to have the authority to approve earlier payment should subcontractor miss his billing deadline. Any requested change from his contracted payment schedule must be authorized by an addendum to this contract. Contract billing shall be made on a monthly basis. If a billing payment date should fall on a legal holiday, the last prior working day shall be the billing date. If payment date should fall on a legal holiday, these billing and payment dates are for completed contract work only. Extra in contract that are paid on a Sea Colony purchase order will be processed in 15 to 30 days and payment will be given immediately. All work completed shall be held approved by the architect (20) of the month shall be due and payable within twenty-five (25) calendar days subsequent to the billing date. All requests for payment must have the job superintendent's approval prior to any payments being made to subcontractor.

ARTICLE VI RETENTION

Five (5%) retention per cent of all billings shall be held by Sea Colony to insure that the subcontractor's work has been performed in accordance with all requirements applicable to his work. The subcontractor shall bill Sea Colony for the retention thirty (30) days after the withholding date.

ARTICLE VII ACCEPTANCE AND FINAL PAYMENT

The subcontractor shall bill Sea Colony for final payment thirty-five (35) days after inspection and acceptance of the work by Sea Colony and all in accordance with the contract documents.

ARTICLE VIII CONTRACT DOCUMENTS

The General Conditions, Read of Plans, Specifications, and Schedules A and B constitute the contract between the parties. The subcontractor hereby agrees that he is fully familiar with all the terms, conditions and obligations of the contract documents, the location of the job site, the conditions under which the work is to be performed and that he enters into this contract based on his own investigations of all such matters and is in no way relying upon any opinions or representations of Sea Colony. It is understood and agreed that this contract represents the entire agreement and no verbal agreements shall be binding. In witness whereof, the parties have hereunto signed their respective names, their respective heirs, executors, administrators, successors and assigns on the day and year written below.

Subcontractor: Paul Elliott Contractor: SEA COLONY DEVELOPMENT CORPORATION, INC.
Accepted by: Paul Elliott By: [Signature]
Title: Partner Title: [Signature]
Budget Code: _____ Date: 3/5/84

White - Controller Green - Construction Manager Canary - Subcontractor Copy Pink - File Copy Goldenrod - Field Copy

EXHIBIT B

GENERAL CONDITIONS

- CORRELATION AND INTENT OF DOCUMENTS:**

It is understood that the intent of the contract is to provide a complete job with all equipment applicable to the Subcontractor's work. Conflicting conditions, or conditions that conflict with the intent of the contract, shall be resolved by the Contractor, Inc., and shall prevail over all other conditions, including those of the Subcontractor, in all cases.
- MATERIALS APPLICABLE TO THE WORK:**

Unless otherwise specified, the Subcontractor shall provide and pay for all materials, labor, installation, handling, hauling, unloading, testing, transportation, and other facilities of every kind and provision necessary for the work and efficient execution and completion of the work.
- SAMPLES AND SPECIFICATIONS:**

The Subcontractor shall provide a sufficient number of samples, and/or shop drawings as requested by the Contractor Development Corporation, Inc., for approval. The Contractor Development Corporation, Inc., shall have the right to reject work or to the work of any other contractor.
- TAXES:**

The Subcontractor shall be responsible for all taxes, including sales taxes, required by law.
- LIABILITIES:**

The Subcontractor shall give all workers and employees full and complete instruction and supervision during the progress of the work as planned and specified. If the Contractor Development Corporation, Inc., is required to provide any work, the Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- SAFETY:**

The Subcontractor shall take all necessary precautions for the safety of his employees and the job, and to shall comply with all applicable provisions of Federal, State, County, and local safety laws and regulations to prevent accidents or injury to anyone on, about, or adjacent to the project where the work is being performed. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- INSPECTION AND CORRECTION OF WORK:**

The Contractor Development Corporation, Inc., shall at all times have the right to inspect the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- SUBCONTRACTOR SUPPLIER AND MANUFACTURERS GUARANTEE:**

The Subcontractor shall warrant and guarantee the work and materials furnished by him, his subcontractors, suppliers, and manufacturers. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- COMPLETION OF WORK AFTER FINAL PAYMENT:**

The Subcontractor shall complete the work and shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- CHANGES IN THE WORK:**

The Contractor Development Corporation, Inc., may order changes in the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- CONTRACTOR'S OBLIGATIONS:**

The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- LIENS:**

The Subcontractor shall not create any lien or claim against the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- PAYMENTS:**

The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- FIRE INSURANCE AND EXTENDED COVERAGE:**

The Subcontractor shall carry fire insurance and extended coverage. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 16. GUARANTY BONDS:**

The Contractor Development Corporation, Inc., shall have the right to require the Subcontractor to furnish a performance and completion bond covering the faithful performance of the contract and the payment of all obligations arising thereunder. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 17. ASSIGNMENT:**

The Subcontractor shall not assign the whole or any part of this contract or his rights under this contract without the prior written approval of the Contractor Development Corporation, Inc.
- 18. SEPARATE SUBCONTRACTS:**

The Contractor Development Corporation, Inc., reserves the right to let other contracts in connection with this work under similar general conditions. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 19. MUTUAL RESPONSIBILITY OF SUBCONTRACTORS:**

Should the Subcontractor cause damage to any separate subcontractor on the job, the Subcontractor shall be responsible for the damage. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 20. CLEAN UP:**

Unless otherwise specified in this contract, the Subcontractor shall clean up all debris resulting from his work in place designated by the Job Superintendent. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 21. MAINTENANCE AND PROTECTION OF WORK:**

The Subcontractor shall be responsible for the damage to areas surrounding his work or damage to his work by his own personnel.
- 22. PUBLIC UTILITIES:**

All such water, gas, electric, and telephone lines, and all surface and subsurface structures, whether or not known to the Subcontractor, shall not be disturbed, damaged, or destroyed by the Subcontractor during his course of work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 23. EQUAL EMPLOYMENT OPPORTUNITY:**

The Subcontractor shall be bound by, and comply with, all the provisions of Federal Executive Order 10925 and as may thereafter be amended. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 24. LABOR DISTURBANCES:**

The Contractor Development Corporation, Inc., may terminate this Contract if the progress of Subcontractor on the job site results in picketing, refusal to work or labor problems which interfere with the progress of the work, even though the Subcontractor may be an independent contractor with this Contract. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 25. GOVERNING LAW:**

The Contract shall be governed by the law of the place where the job site is located.
- 26. CESSION:**

The Subcontractor shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 27. THEFT OR DAMAGE:**

The Subcontractor shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 28. REPAIRS:**

The Subcontractor shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 29. WORK COORDINATION:**

The Subcontractor shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 30. SEPARATE SUBCONTRACTS:**

The Contractor Development Corporation, Inc., reserves the right to let other contracts in connection with this work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 31. LIABILITY TO OTHERS:**

The Contractor shall indemnify and save the owner harmless from all liability and loss because of injury (including death) to any person, or damage to any property that may occur or be caused to have occurred during the performance of the work, as a result, directly or indirectly, of contractor's or any subcontractor's fault or negligence, or of their servants, agents, and employees, and determine whether or not such injury or damage is also attributable to the owner's fault or negligence. At his own expense, the contractor shall defend all suits or claims alleging such injury or damage and shall pay all charges of attorney's court costs, and all other costs and expenses in connection therewith. These general conditions shall survive acceptance of the work and completion of the contract.
- 32. ASSIGNMENT OF RISK:**

The Subcontractor shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work. The Contractor Development Corporation, Inc., shall be responsible for the work.
- 33. LIABILITY TO OTHERS:**

The Contractor shall indemnify and save the owner harmless from all liability and loss because of injury (including death) to any person, or damage to any property that may occur or be caused to have occurred during the performance of the work, as a result, directly or indirectly, of contractor's or any subcontractor's fault or negligence, or of their servants, agents, and employees, and determine whether or not such injury or damage is also attributable to the owner's fault or negligence. At his own expense, the contractor shall defend all suits or claims alleging such injury or damage and shall pay all charges of attorney's court costs, and all other costs and expenses in connection therewith. These general conditions shall survive acceptance of the work and completion of the contract.

SCHEDULE A

SCOPE OF THE WORK

FOR: Elliott/Kinnaman Construction JOB NAME: Sea Colony West - Phase VIII
PO 2222 JOB NO.: 52.90
150 East Annapolis Drive BUDGET CODE: 3530
Salisbury, MD 21801 BUDGET ITEM: Carpentry
 TEL: (301) 546-5550- VENDOR CODE: 19866
301 742-1457 DATE: February, 1984
Paul Elliott

Contractor shall perform the carpentry work outlined in the Contract in accordance with the latest revised plans which include eighty-eight (88) town-units located in the eleven (11) remaining buildings of this project. The unit mix are as follows:

Sect.	End Units		Interior Units		Total Units
	2-BR Lower	2-BR Loft	2-BR Lower	2-BR Loft	
1	2	2	2	2	8
2	2	2	2	2	8
3	2	2	2	2	8
4	2	2	2	2	8
5	2	2	2	2	8
6	2	2	2	2	8
7	2	2	2	2	8
8	2	2	2	2	8
9	2	2	2	2	8
10	2	2	2	2	8
11	2	2	2	2	8
12	2	2	2	2	8
13	2	2	2	2	8
14	2	2	2	2	8
15	2	2	2	2	8
16	2	2	2	2	8
17	2	2	2	2	8
18	2	2	2	2	8
19	2	2	2	2	8
20	2	2	2	2	8
21	2	2	2	2	8
22	2	2	2	2	8
Total	22	22	22	22	88

Unit prices per building is:

1	\$48,180
2	\$48,180
3	\$48,185
4	\$48,180
5	\$48,180
6	\$48,185
7	\$48,180
8	\$48,180
9	\$48,185
10	\$48,180
11	\$48,180
12	\$48,185
13	\$48,180
14	\$48,180
15	\$48,185
16	\$48,180
17	\$48,180
18	\$48,185
19	\$48,180
20	\$48,180
21	\$48,185
22	\$48,180

Contractor shall supply a forklift truck for use on the job site and will be paid at a rate of One Thousand Two Hundred Dollars (\$1,200.00) per month to exceed a total of Nine Thousand Six Hundred Dollars (\$9,600.00). Payment is in addition to the amount of this contract. The subcontractor shall be reimbursed for the first month in advance.

Green - Construction Manager
 Pink - File Copy
 Goldenrod - Field Copy

Contractors Initials: [Signature]

SCHEDULE A

SCOPE OF THE WORK

SUBCONTRACTOR

NAME: Elliott/Kinnawon Construction JOB NAME: Sea Colony West - Phase VIII

ADDRESS: P.O. Box 2222 JOB NO.: 52.90
138 East Rustle Drive

BUDGET CODE: 3530

Salisbury, MD - 21801

BUDGET ITEM: Carpentry

TELEPHONE: (301) 546-5550
301 742-1457

VENDOR CODE: 19866

CONTACT: Paul Elliott

DATE: February, 1984

4. An HVAC layout will be submitted to this subcontractor to use in the rough framing stage. Subcontractor shall meet with HVAC, plumbing, and Sea Colony Development's superintendents to review framing layouts. It is the superintendents to review framing layouts. It is the subcontractor's responsibility to ensure accuracy of framing.

5. Subcontractor shall set and secure all wood beams bearing on wood piles.

6. The contract price includes all rough and finish carpentry to include the installation of miscellaneous items as listed elsewhere in this contract. All work shall be plumb, square, level, adequately nailed, fastened, blocked, braced and bridged as required. Installation of all underlayments, decks, wall panels, bulkheads, dropped ceilings, furring on party walls, duct drops, boxing, chase openings, floor and roof trusses as applicable, sheathing and T-111 plywood exterior skin system, windows, louvered vents, trellis and countertops, access panels, prefab fireplaces, fireplace flue chase, and finish hardware are included as part of this contract. Cutting of roof vent openings and duct openings is part of this contract.

~~1. Windows shall be unsecured and secured by this subcontractor.~~

7. This subcontractor shall be responsible for unloading and stocking all the lumber, plywood, deck material, exterior trim, windows, exterior doors, interior doors, prefab fireplaces, and all other material that Sea Colony Development is supplying for this job. Sea Colony Development will be responsible for receiving and unloading in our storage compound vanities, kitchen cabinets, kitchen countertops and finish hardware. Once this material has been received and unloaded on the job site, the responsibility of moving, stocking and installing this material becomes the subcontractor's responsibility.

8. The machine time and labor required to set the girders, decks, panels, trusses, roof sheathing, and siding is included in this contract price, except as noted in paragraph 3.

10. Construction Notes

- All plywood deck material shall be nailed and glued.
- Underlayments shall be adequately masticcoontacted and nailed as required but not less than twelve (12) inch casters.
- All nails and fasteners subject to exterior forces shall be galvanized. Sea Colony Development to supply all fasteners and rough hardware for subcontractor.
- Decking shall be clipped and nailed.
- Decking wall framing sill plate will be caulked to fill voids.

11. This subcontractor shall be responsible for the abuse and/or misuse of all materials used by him to perform his work and shall designate a responsible person to be in authority to ensure proper performance under this section. Sea Colony Development agrees to provide a secured storage compound for material required to be installed by this subcontractor. Subcontractor agrees to assume the responsibility for any loss of materials once materials have been released from the storage compound to the subcontractor's custody.

Subcontractor and/or Supplier's Initials

Contractors Initials

White - Contractor Green - Construction Manager Canary - Subcontractor Copy Pink - File Copy Goldenrod - Field Copy

SCHEDULE A

SUBCONTRACTOR

SCOPE OF THE WORK

NAME: Elliott/Kinnaman Construction JOB NAME: Sea Colony West - Phase VIIIADDRESS: P.O. Box 2222 JOB NO.: 52.90420 East Middle Drive BUDGET CODE: 3530Salisbury, MD 21801 BUDGET ITEM: CarpentryTELEPHONE: (301) 546-5550 VENDOR CODE: 19866CONTACT: Paul Elliott DATE: February, 1984

12. Schedule of values are as follows and based on work in place and complete:

- 5% Girder beams
- 10% 1st Deck complete—deck only joist
- 10% 2nd Deck complete
- 15% Roof framing w/sheathing ready for papering
- 10% All interior partitions in place w/backup, etc. complete, ready for mechanical trades.
- 10% Ready for close-in w/windows, doors, bulkheads weather-right.
- 15% Exterior siding, cornices, and trim 100% ready for painter.
- 10% Interior trim including cabinet set
- 10% Exterior decks with fencing and stairs
- 5% Finish hardware, including appliances, spiral stairs, caps, rails, etc. ready for occupancy.
- 100%

13. This subcontractor shall clean up and place all debris resulting from his work in the dumpster located on the job. He shall maintain a clean site and be required to clean up daily if required and/or directed by Sea Colony Development Corporation.

14. This subcontractor guarantees and warrants his workmanship and/or materials unconditionally for one (1) year from time of settlement per unit.

15. The hourly rate for extra work beyond the scope of this contract, if extra work is approved in writing by the job superintendent, shall be done at Twelve Dollars (\$12.00) per hour rate, which includes all taxes, overhead and profit.

16. Subcontractor will be responsible for the following work items as well as any other specifically mentioned in this contract.

- a) Wood vent louvers
- b) Exterior rails - including drillings for dowels
- c) Cutting of all piles to proper elevation; drilling of all beams as well as cleanup of cut pile ends to dumpster supplied by Sea Colony Development.
- d) Installation of all address numbers; interior mirrors and interior shower doors.
- e) Installation of fiberboard, 15-lb felt, T-111 plywood and butt caps with flashing for exterior skin system. Nailing method to be approved by job superintendent.
- f) Install surfit, surfit vent, exterior wood corners or T-111 as shown on drawings, and as directed.
- g) Silicone caulking of all fins and sills of all doors and windows as each unit is set. Caulking to be continuous head and caulk materials will be supplied by Sea Colony Development.
- h) Installation of brick molding and doors and flashing above windows and doors and flashing at sill of sliding glass doors.
- i) Installation of fire rated 5/8" drywall to both sides of roof truss at party walls as directed by Delaware State Fire Marshall. Subcontractor must ensure proper seal of this material.

Subcontractor and/or Supplier's Initials

Contractor's Initials

White—Controller Green—Construction Manager Canary—Subcontractor Copy Pink—File Copy Goldenrod—Field Copy

SCHEDULE A

SUBCONTRACTOR SCOPE OF THE WORK

NAME: Elliott/Kinnaman Construction JOB NAME: Sea Colony West - Phase VIII
 ADDRESS: P.O. Box 2222 JOB NO.: 52.90
128 East Washington Ave BUDGET CODE: 3530
Salisbury, MD 21801 BUDGET ITEM: Carpentry
 TELEPHONE: (301) 546-5550 VENDOR CODE: 19866
301 742-1457 DATE: February, 1984
 CONTACT: Paul Elliott

- j) Installation of base, access panel and spiral rail at loft area of 2-BR units.
- k) Installation of bridging, straps and bolts as shown in plans and as directed by job superintendent.
- l) Cutting of any supply/waste holes in cabinets, vanities as required by plumbing/rough-in.
- m) Installation of approved firestopping materials at all opening between floors and/or units as directed by code and/or job superintendent.
- n) Installation of proper sound/reducing bridging and/or caulk at party walls between units and common floors.
- o) Installation of prefab fireplaces supplied by others.
- 17. This contract specifically includes the rear decks on all units.
- 18. It is this subcontractor's responsibility to have all billings approved by the job superintendent prior to submission to main office.
- 19. Contract billing must utilize the attached schedule "B" form. Waiver of lien forms must be properly executed and submitted with every billing except the first. No payments shall be made unless this procedure is followed. Release of lien must be properly executed prior to retention release.
- 20. Sea Colony Development reserves the right to stop construction at any time. Should construction be stopped, subcontractor will be paid for all work actually completed to date according to attached schedule "B" form and this contract shall become null and void at the election of Sea Colony Development.
- 21. This subcontractor shall have adequate supervisors, non-labor working, acceptable to Sea Colony Development, at all times while this subcontractor's work is in progress.
- 22. Subcontractor shall have responsible persons with the authority to make decisions on his behalf at weekly job progress meetings as directed by Sea Colony Development.
- 23. Subcontractor is responsible for successful implementation of Sea Colony Development construction schedule. Failure to meet said schedule may constitute breach of this contract.
- 24. Subcontractor shall provide for billing per total building only. Acceptance of work must be completed per building prior to billing.
- 25. Payments for work completed shall be ascertained as follows:
 - a) Work completed during the first month of construction may be requisitioned for every two (2) weeks.
 - b) Work completed during the second month of construction may be requisitioned for every three (3) weeks.
 - c) Work completed during the third month to the final completion shall be requisitioned for every four (4) weeks.

[Handwritten Signature]
 Contractor and/or Supplier's Initials

[Handwritten Signature]
 Contractors Initials

**SCHEDULE B
PAYMENT SCHEDULE**

SUBCONTRACTOR

Name: Killett/Kinnaman Construction
 Corporation
P.O. Box 2372
 Address: 120 East Broadway
Salisbury, MD Zip 21801
 Telephone: (301) 743-0402-546-5550
 Vendor Code No. 19860

Date of Contract: February, 1984
 Project: Sea Colony West Phase VIII
 Job No.: 52.90
 Budget Code: 3530
 Budget Item: Carpentry
 Date of Requisition: _____

LOT	BLOCK	TYPE	Ready Close In	Exterior Complete	Interior Trim	Ext. Decks & Stairs	Unit Complete	AMOUNT THIS REQUISITION
Westlake Section								
Bldg.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
2			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
3			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4820	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
Brighton Section								
Bldg.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
2			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
3			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4820	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
4			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
5			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
6			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4820	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
7			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4818	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
8			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4820	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	
9			<input type="checkbox"/> 4818	<input type="checkbox"/> 7227	<input type="checkbox"/> 4820	<input type="checkbox"/> 4818	<input type="checkbox"/> 2409	

For each requisition, please indicate which items are being requested for by checking the appropriate box.

Original Contract Sum	\$ 530,000.00	
Change to Contract Allowance for Worklift	\$ 2,600.00	
Contract Sum to date	\$ _____	
Total Completed & Stored to date	\$ _____	\$ Total This Requisition
Retainage _____ %	\$ _____	\$ LESS RETENTION
Total earned Less Retainage	\$ _____	\$ _____
Less Previous Payments	\$ _____	\$ Net amount due this requisition
Current Payment Due	\$ _____	

SUBCONTRACTOR'S INITIAL BE CONTRACTOR'S INITIAL MY

THIS PAYMENT REQUISITION MUST HAVE THE JOB SUPERINTENDENT'S APPROVAL PRIOR TO BEING PROCESSED FOR PAYMENT.