

CONSTRUCTION CONTRACT BETWEEN CONTRACTOR AND OWNER

This Construction Contract ("Contract") is entered into by and between **Chapel Branch & Lagniappe, LLC**, a Florida limited liability company, ("Contractor") and the **City of Chipley, Florida**, a Florida municipal corporation, ("Owner"), collectively referred to as the "Parties" and individually as a "Party". This Contract is made pursuant to the laws of the State of Florida and is subject to the jurisdiction thereof. The purpose of this Contract is to set forth the terms and conditions under which the Contractor will provide construction services to the Owner for the project described herein.

1. Scope of Work

The Scope of Work concerning the property located at 1388 and 1384 North Railroad Ave., Chipley Florida (the "Property") is described herein.

The Contractor shall perform the following services:

1. Demolition of any existing structure(s) on the Property.
2. Removal of all debris resulting from the demolition.
3. Grading of the Property post-demolition to ensure an even surface.
4. Installation of sod over the graded surface to promote a uniform appearance.

All work shall be completed in accordance with the plans, permits, and specifications detailed in the Contract and any amendments thereto. The Contractor is responsible for obtaining all necessary permits and approvals from the relevant authorities before commencing work. The work shall be performed in compliance with all applicable laws, regulations, and standards of the State of Florida.

The Owner shall grant the Contractor access to the Property as required to perform the work outlined in this clause. The Contractor agrees to conduct all operations with the utmost care to minimize disruption and to maintain the safety of the Property and adjacent areas.

Any changes to the scope of work as described herein must be made in writing and signed by both the Contractor and the Owner.

2. Contract Price and Payment Terms

The total contract price for the construction project described herein, to be paid by the Owner to the Contractor, is established at \$117,927.27, inclusive of all taxes,

labor, materials, and other expenses, unless otherwise specified in this Contract. This amount shall be paid in accordance with the following schedule:

1. Progress payments shall be made to the Contractor based on the schedule of values submitted by the Contractor and approved by the Owner. Each progress payment shall be due within thirty [30] days after the Owner's receipt of the Contractor's invoice for payment.
2. The final payment, constituting the remaining balance of the contract price, shall be made within thirty [30] days after the completion of the project and submission of all necessary documentation by the Contractor to the Owner, confirming that the work has been completed in accordance with the terms of this Contract.

Payments shall be made via check, or as otherwise agreed upon by the parties in writing. The Owner reserves the right to withhold payment or a portion thereof, as deemed necessary to cover any costs, damages, or liabilities incurred as a result of the Contractor's failure to comply with the terms of this Contract or to correct deficiencies in the work performed.

All payments are subject to final acceptance of the work by the Owner and compliance with all applicable laws and regulations.

3. Schedule of Work

The Contractor, Chapel Branch & Lagniappe, LLC, agrees to commence the construction project for the City of Chipley, Florida, no later than ten (10) business days following the execution of this Contract and shall endeavor to complete the work in accordance with the schedule set forth herein. The Contractor shall provide the Owner with a detailed schedule of work within five (5) business days of the Contract execution, outlining the anticipated start and completion dates for each phase of the project.

The Contractor shall notify the Owner in writing of any anticipated delays in the schedule as soon as reasonably possible. In the event of a delay caused by unforeseen circumstances beyond the control of the Contractor, such as adverse weather conditions, labor disputes, or material shortages, the Contractor shall not be deemed in breach of this Contract. However, the Contractor is expected to take all reasonable steps to minimize the impact of such delays on the overall project timeline.

Any changes to the schedule of work must be submitted in writing to the Owner for approval. No changes shall be deemed approved until written consent is obtained

from the Owner. The Contractor is responsible for coordinating all construction activities to ensure the project is completed in a timely and efficient manner, in accordance with the Total Contract Price, Progress Payments, and Final Payment terms as defined in this Contract.

4. Change Orders

Change Orders in this Construction Contract shall be governed by the following terms:

All requests for changes to the scope of work, whether initiated by the Contractor or the Owner, must be submitted in writing. Such requests shall include a detailed description of the proposed changes, the reason for the changes, and the anticipated impact on the Total Contract Price and the project schedule.

Upon receipt of a change request, the other party shall have ten (10) business days to review and respond. The response shall indicate acceptance, rejection, or the need for further discussion.

If the change is accepted, both parties shall negotiate in good faith the terms of the Change Order, including any adjustments to the Total Contract Price, the project schedule, and the payment schedule. This negotiation shall result in a written Change Order signed by both parties.

No work on the proposed changes shall commence until the Change Order is executed and any necessary adjustments to Progress Payments, or Final Payment are agreed upon.

Failure to execute a Change Order may result in a dispute under the terms of this Contract's dispute resolution clause. In such cases, the work shall proceed according to the original contract terms until the dispute is resolved.

The Contractor is not obligated to perform any work beyond the scope of the original contract without a duly executed Change Order. Any unauthorized work or materials may not be eligible for inclusion in the Total Contract Price.

5. Warranties

The Contractor warrants to the Owner that all materials and equipment furnished under this Contract will be new unless otherwise specified, and that all work will be of good quality, free from faults and defects, and in conformance with the Contract Documents. This warranty does not preclude or limit any other warranties or rights the Owner may have under the Contract Documents or by law or in equity.

All work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. If the Owner or Owner's representative identifies any work as defective, the Contractor must correct it promptly after receipt of a written notice from the Owner, without additional cost to the Owner.

The Contractor's warranty shall extend for a period of one (1) year from the date of final acceptance of the work by the Owner, unless a longer period is specified for certain materials or workmanship in the Contract Documents. During this period, the Contractor shall repair or replace any work found to be defective without cost to the Owner.

This warranty is in addition to, and not in limitation of, any other warranty or remedy required by law or by the Contract Documents. The Contractor's obligation under this warranty shall not be limited by the Final Payment under this Contract.

6. Indemnification

The Contractor hereby agrees to indemnify, defend, and hold harmless the Owner, its officers, agents, and employees from and against any and all claims, damages, losses, expenses (including, but not limited to, attorney's fees), and liabilities of any nature whatsoever, arising out of or in any way connected with the Contractor's performance of work under this Contract, except for any claims, damages, losses, or liabilities arising from the sole negligence of the Owner.

This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

The obligations of the Contractor under this indemnification clause shall survive the termination of this Contract and shall apply to any acts or omissions that occurred during the term of this Contract, regardless of whether such acts or omissions were discovered before or after the termination of the Contract.

7. Insurance Requirements

The Contractor shall, at its own expense, procure and maintain for the duration of this Contract, including any warranty period, the following minimum insurance coverages:

- Commercial General Liability Insurance with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, covering bodily injury, property damage, personal injury, and advertising injury.
- Workers' Compensation Insurance in accordance with Florida law, covering all employees engaged in the performance of work under this Contract.
- Automobile Liability Insurance covering all owned, non-owned, and hired vehicles with a minimum limit of \$1,000,000 per accident for bodily injury and property damage.
- Professional Liability Insurance (if applicable) with limits not less than \$1,000,000 per claim and \$1,000,000 aggregate, covering errors and omissions made by the Contractor or its subcontractors.

The Contractor shall provide the Owner with certificates of insurance evidencing these coverages prior to commencing work under this Contract and upon renewal of each policy during the term of the Contract. The Owner shall be named as an additional insured on all policies, except for Workers' Compensation. Insurance policies shall provide for a minimum of thirty (30) days' notice to the Owner in the event of cancellation or material change.

8. Termination

This Construction Contract may be terminated by either party under the following conditions:

1. **By the Owner:** The Owner may terminate this contract at any time upon providing written notice to the Contractor if the Contractor:
 - Fails to commence work within the time specified in the Contract;
 - Is adjudged bankrupt or insolvent;
 - Fails to make satisfactory progress towards completion of the project;
 - Fails to comply with the terms and conditions of the Contract;
 - Fails to provide proof of maintaining the required insurance coverages, including but not limited to Commercial General Liability Insurance, Workers' Compensation Insurance, Automobile Liability Insurance, and Professional Liability Insurance.
2. **By the Contractor:** The Contractor may terminate this contract if the Owner:
 - Fails to make the payments of the Progress Payments or Final Payment as agreed upon in the Contract;
 - Materially breaches any terms and conditions of the Contract.
3. **Automatic Termination:** This Contract shall automatically terminate upon the completion of the construction project and the final acceptance by the Owner.

In the event of termination, the Owner shall pay the Contractor for all work performed up to the date of termination, including any costs incurred by the Contractor as a result of such termination. The Contractor is required to submit a final accounting of the work performed and any costs incurred within thirty (30) days of the termination date. The final payment, if any, shall be made by the Owner to the Contractor within sixty (60) days of receiving the final accounting, subject to any deductions for incomplete or defective work as determined by the Owner.

9. Dispute Resolution

In the event of any dispute arising out of or in connection with this Construction Contract between Chapel Branch & Lagniappe, LLC ("Contractor") and the City of Chipley, Florida ("Owner"), the parties agree to first attempt to resolve the dispute through good faith negotiation. If the dispute cannot be resolved through negotiation within thirty (30) days, the parties agree to submit the dispute to mediation. Should mediation fail to resolve the dispute, the parties shall have the right to pursue legal action.

All legal actions or proceedings arising out of or related to this Contract shall be brought exclusively in the Circuit Court in and for Washington County, Florida, and the parties hereby consent to the jurisdiction of such court. This Contract shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice or conflict of law provision or rule.

Each party agrees to bear its own costs and expenses incurred in connection with any dispute resolution proceedings, including but not limited to attorney's fees, except as may be awarded by the court to the prevailing party in accordance with Florida law.

10. Notices

All notices, requests, demands, and other communications under this Contract shall be in writing and shall be deemed to have been duly given on the date of delivery if delivered personally to the party to whom notice is to be given, or two days after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed to the party at the address specified in this Contract or at such other address as the party may specify in writing. For purposes of notice, the addresses of the parties shall be as follows:

- For the Contractor:

Chapel Branch & Lagniappe, LLC:
805 Main Street
Chipley, Florida 32428
Attn: _____

- For the Owner:

Patrice A. Tanner
City Administrator
City of Chipley
Post Office Box 1007
Chipley, Florida 32428

Either party may change its address for notice by giving written notice of such change to the other party in accordance with the provisions of this clause.

11. Entire Agreement

This Construction Contract ("Contract") represents the entire agreement between Chapel Branch & Lagniappe, LLC ("Contractor") and the City of Chipley, Florida ("Owner") concerning the project detailed herein. This Contract supersedes all prior negotiations, representations, or agreements, either written or oral. This Contract may only be amended in writing and signed by both parties.

All terms defined within this Contract, including but not limited to Total Contract Price, Progress Payments, Final Payment, Commercial General Liability Insurance, Workers' Compensation Insurance, Automobile Liability Insurance, and Professional Liability Insurance, shall have the meanings ascribed to them herein. Any modifications or additions to this Contract shall be made in writing and must be signed by both the Contractor and the Owner to be effective.

Both parties acknowledge that they have not relied on any representation, assertion, guarantee, warranty, collateral contract, or other assurance, promised or provided by any party or any other person or entity, other than those set out in this Contract.

12. Signatures

The Parties hereby agree to the terms and conditions set forth in this Contract and signify their agreement through their duly authorized representatives signing below.

FOR THE CONTRACTOR:

Name:

Title:

Date:

FOR THE OWNER:

Name: Tracy Andrews, Mayor

Date: _____

This document, including any attachments and exhibits, constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the Parties. No amendment, modification, or addition to this Contract shall be binding unless it is in writing and signed by the Parties.