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*Owner Representation • Construction Management • Consulting Services*

**June 26, 2024**

Ms. Lee Merritt  
Chairman  
Downtown Development Authority of Lawrenceville, Georgia  
70 South Clayton Street  
Lawrenceville, GA 30046

Re: Tapestry Collection Hilton Hotel  
Lawrenceville, Georgia

Subj: Construction Monitor Services  
Project: 24-015

Dear Ms. Merritt:

Please accept this proposal to provide Construction Monitoring Services for the Tapestry Collection Hilton Hotel in Lawrenceville, Georgia.

This document shall serve as a binding Agreement between **Alcala Construction Management, Inc.** (“ALCALA”) (Consultant) and **Downtown Development Authority of Lawrenceville, Georgia** (Client), upon execution.

**Project Description:**

The hotel is planned to be developed on an approximately 1.94-acre parcel in Downtown Lawrenceville, Georgia. The proposed Hotel is anticipated to be built and developed as a 120-room Tapestry Collection hotel. The proposed Hotel is owned and developed by the Downtown Development Authority (DDA). The proposed brand for this project is the Tapestry Collection by Hilton. The hotel programs and development budgets were provided by NorthPointe Hospitality, the Owner’s Representative of the subject Hotel, overseeing the construction.

The proposed property is projected to open in September 2025 and is expected to feature an upscale restaurant & bar and a market in the lobby, an optional rooftop restaurant & bar, a fitness center, a business center, and meeting spaces. The City has developed a parking deck of 380 spaces, including 113 on the top level that will be designated for hotel use and 268 for public use. The total development cost for the project is \$38,370,727 or \$319,756 per key, including the \$2,000,000 costs for the optional rooftop restaurant & bar, provided by Davenport & Company.

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CGC 1520802**



**SCOPE AND FEES:**

ALCALA will work on behalf of the Client to provide construction oversight, in capacity as Construction Monitor, to ensure the project comes in on time and within budget. ALCALA will work in conjunction with the contractor and architect to review the payment draws and to provide a monitoring report that will be made publicly available, via posting on EMMA by Client, for all bondholders who financed the project.

**Pre-Construction Document Review (PDR) Report**

The PDR will evaluate the state of the documents related to design, planning, construction, and budget, and will be provided prior to finance closing. PDR reports typically include:

- Executive Summary
- Project Scope
- Evaluation of Construction and Design Agreements
- Summary of Contractor's CPM Schedule (when submitted)
- Project Budgets
  - Total Project Source and uses
  - GMP Contract Amount
  - Contractor's Schedule of Values
  - Contingencies
  - Sufficiency of Funds
- Insurances
  - Contractor
  - Architect
- Engineering Reports
  - Geotechnical Reports
  - Environmental Site Assessments (dated within 180 days of Closing)
- Construction Documents and POS
  - Drawings
  - Specifications
  - Preliminary Official Statement – Appendix A
  - ALTA Survey
- Review GMP Contracts
- Utilities, Permits, Approvals
- Conclusion

Documents required for review are listed on a Document Checklist which will be provided via separate cover and are requested a minimum of 30 days prior to Report submission.



## **Monthly Construction Monitoring**

Site visits will focus on the following items, which will be discussed in the monthly reports, as applicable:

- Construction Schedule
  - Actual Progress vs. Planned Schedule
  - Tracking Actual Dates of Substantial Completion vs. Contractual Dates
  - Potential Delay Items
  - Potential Extensions of Time – Change Orders, Weather, etc.
  
- Application and Certification for Payment
  - Billing Percentage
  - Stored Materials
  - Retainage
  - Proper Documentation
  
- Budget
  - Pending and Potential Changes
  - Change Order Documentation
  - Listing of Disputed Items
  - Buy-Out Status
  - Actual Billing vs. Planned Billing Projection
  - Status of Allowances
  - Construction Contingency Status
  - Sufficiency of Hard Cost Funds to Complete the Project
  
- Quality Issues/Open Items
  - Construction Quality Issues
  - Open Items
  - Compliance with Contract Documents
  - Protection of Materials Stored On Site
  
- Recap of Construction Contract Items
  - Contract Duration (Days, Weeks, or Months)
  - Weather Delays
  - Dates of Substantial Completion
  - Liquidated Damages or Penalties
  - Fee (Lump Sum or Percentage)
  - Retainage
  
- Electronic Site Key Plan and Digital Photographs (Approximately 25-36 at peak)



Construction Monitor will certify, for each Disbursement Request for Hard and Soft Costs, per requirements of the Construction Disbursement and Monitoring Agreement (CDMA):

1. Construction is on time/on budget
2. Sufficiency of funds remaining in the Project Fund to complete the Project
3. There are no pending change orders that would adversely impact the time/budget

Should Construction Monitor not be able to certify the items listed above, an explanation will be provided to Client by Consultant as to why not; thus, this will provide Client the opportunity to help resolve any outstanding issues which will/may enable Construction Monitor to provide such certification.

Site visits will be conducted on a monthly basis, with dates and times to be mutually agreed upon and established at the initial project meeting. We recommend that site visits be attended by representatives of the main team members, including the Owner (or its representative), Developer, Architect, and Contractor, whenever possible. Visits will focus on construction progress, quality, and budget status. A meeting will be held, as part of the site visit, to discuss the items outlined in the monthly report.

**Fees:**

**Pre-Construction Document Review** –\$9,500.00 for time associated with producing and uploading the PDR Report, available via web-based mail.

**Monthly Oversight Monitoring** – Billed at \$7,500 per site visit, plus reimbursable expenses (outlined below). The fee includes site visit, plus the time associated with producing and uploading Reports, which will be available via web-based mail.

**Additional Services** – Including additional meetings, site visits, conference calls, detailed estimates, quantity take-offs, shop drawing review, etc., in addition to the regular monthly site visits will be billed as follows, plus reimbursable expenses:

- Hourly Rate - Billed at \$300 per hour, plus expenses
- Daily Rate – Billed at \$3,500 per day, plus expenses

Requests for additional services must be submitted by Client to Consultant, either by electronic mail (Email), FAX, or other written correspondence, and must include general scope of work being requested.



**Reimbursable Expenses:**

All reasonable travel expenses, such as airfare, lodging, rental vehicle, fuel, tolls, parking, meals, and mileage (expensed at \$0.85 per mile) are in addition. Copies of receipts will be included, if requested by Client. Reports will be provided via web-based mail for Client to view.

Client to provide Consultant all documents necessary for completion of work; i.e., 3<sup>rd</sup> party reports, construction plans, specifications, etc. at no expense to consultant.

**Payment:**

Payment is due within 25 days of Consultant's posting of Report(s) for Client view, and Consultant's submission of electronic invoice in a manner and format consistent with Client's construction draw process established in connection with the bonds issued to finance development and construction of the Project.

**Consultant's Qualifications:**

Consultant shall perform all services under this Agreement in a professional and timely manner using its best professional judgment, and with the degree of care and skill ordinarily exercised under similar circumstances by members of the consulting profession performing the kind of services to be performed hereunder.

Consultant represents and warrants that Consultant and its representative(s) assigned to perform the services under this Agreement possess the requisite skill, training, and experience to render the services contemplated by this Agreement.

**Indemnification:**

Client shall indemnify and hold harmless Consultant and all its personnel, representatives, consultants, etc. from and against any and all damages, losses and expenses (including reasonable attorney's fees) arising out of, resulting from, or attributable to, claims made by third parties and relating to the Project or the services performed under this contract, but only to the extent not arising out of, resulting from, or attributable to, Consultant's willful misconduct, gross negligence, or breach of this Agreement. Services provided by Consultant are not to be construed as legal advice or professional architectural or engineering services, but rather construction consulting as it relates to the property and project scope. Consultant does not assume or accept responsibility for design, construction, code compliance, or imply any warranties or guarantees for work performed by other parties in connection with this project.



**Exclusions and Disclaimer:**

The scope of work is limited to readily accessible areas only. No testing is included. Client will be the sole addressee of each Report. The Reports are objective in nature with conclusions and recommendations based on observations, interviews, and other documentation as may be provided or otherwise available to Consultant. Although intended to be comprehensive in nature, Reports are subject to errors and omissions, and variations of interpretation. Client shall immediately contact Consultant upon discovery of any errors and/or omissions.

**Safety:**

Consultant requires safe access to all areas and shall not be required to walk on roofs or other areas which have a slope greater than 4:12, or any area which Consultant deems as unsafe. ALCALA does not provide ladders for access to any areas. OSHA approved; safe access shall be provided by others.

**Insurance:**

Consultant shall maintain Commercial General Liability and Workers Compensation coverage as follows:

CGL - \$1,000,000 each occurrence	WC & EL - \$100,000 Each Accident
\$ 100,000 Premises	\$100,000 Each Employee
\$ 15,000 Med Exp	\$500,000 Policy Limit
\$1,000,000 Personal Injury	
\$2,000,000 General Aggregate	
\$2,000,000 Products & Completed Operations Agg	

Additional coverage required by client may result in a premium charge to client under this contract.

**Schedule:**

Bond financing is anticipated in Fall, 2024. The construction period is estimated at approximately eighteen (18) continuous months, immediately following financing.

**Monthly Monitoring Report**

Report is due five (5) business days after date of inspection and receipt of all documentation from Client, including Disbursement Request, and delivered via web-based mail.



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**Pre-Construction Document Review Report (Optional)**

Report is due twenty (20) business days after receipt of all Project documents (listed on the Document Checklist) from Client.

**Renewal and/or Termination:**

Services which extend beyond two (2) years from the execution of this agreement may be subject to renegotiation. Either party upon written notification may terminate the contract. In such an event, or if the Project is cancelled, postponed, or rescheduled after execution of this agreement, Consultant shall be paid in full for all services performed under this agreement, including reimbursable expenses and percentage of work completed.

**Applicable Law:**

Consultant shall comply with all applicable laws in performing services. This Agreement shall be construed in accordance with the laws of the State of Georgia.

**Complete Agreement:**

This Agreement contains the entire agreement between the parties hereto with respect to matters covered herein. No other agreements, representations, warranties, or other matters, oral or written, shall be deemed to bind the parties hereto with respect to the subject matter hereof. Terms and conditions of this agreement can only be changed if agreed to in writing by both parties.

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**Acceptance:**

If the foregoing correctly sets forth the understanding between Client and Consultant, please indicate your agreement by signing in the space provided below, at which time this shall become a binding contract.

This proposal shall be valid for thirty (30) days from the date signed by Consultant. If not executed in that period, the Agreement may be withdrawn or subject to modifications.

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Lee, Merritt, Chairman  
Downtown Development Authority of Lawrenceville, Georgia

Date

A handwritten signature in blue ink, appearing to read 'Rick Alcala', with a long horizontal flourish extending to the right.

June 26, 2024

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Rick Alcala, President  
Alcala Construction Management, Inc.

Date

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