

THIS AGREEMENT is made as of January 17, 2008.

BETWEEN the Association:
("the Association")

THE GALAXY TOWERS CONDOMINIUM
ASSOCIATION
7000 Boulevard East
Guttenberg, New Jersey 07093

and the Engineer
("the Engineer")

for the following Project:

Fire Alarm Replacement/
Modernization Project ("the
Project"), Towers I, II and III,
and Mall at The Galaxy Towers
Condominium, a multi-story, multi-
building, mixed-use condominium
located at 7000-7004 Boulevard
East, Guttenberg, New Jersey, known
as The Galaxy Towers
("the Condominium")

The Association is a New Jersey non-profit membership corporation organized and existing for the purpose of managing and administering the Condominium. It is governed by an elected Board of Directors. The Association and the Condominium are self-managed.

Susan Fitzpatrick is the General Manager of the Association and the Condominium. She will facilitate the exchange of information between the Association and the Engineer and will make the Condominium accessible to the Engineer. Except as otherwise authorized by her or by the Association's President, all communication between the Engineer and the Association will be through Susan Fitzpatrick.

The Association and Engineer agree as follows:

ARTICLE 1

ENGINEER'S RESPONSIBILITIES

The Engineer will provide engineering and design services for the Project. These services must be performed in a manner consistent with the highest and best engineering and design practices. To assure completeness and expedite the preparation of plans, drawings and specifications, the Association has provided the Engineer with copies of all available plans and drawings of the Condominium and the wiring of its existing fire alarm system.

1.1 During Phase I, the Research Phase, the Engineer will perform the following tasks:

- research existing records
- conduct a field survey of the entire Condominium and locate all existing fire alarm devices
- inspect existing fire alarm system and determine (through laboratory testing carried out by an independent laboratory or by manufacturer of proposed replacement equipment), if wiring, raceway and back boxes can be reused for new fire alarm system
- prepare and submit to the Association a written report on its findings

1.2 During Phase II, the Preliminary Design Development and Design Selection Phase, the Engineer will perform the following tasks:

- research and provide at least 3 alternate "State of the Art" fire alarm systems
- provide the Association with a written and oral presentation of each system
- recommend to the Association the best "State of the Art" fire alarm system appropriate for current use in the Condominium and for future expansion
- coordinate a site visit by the Association's General Manager and Directors to see each "State of the Art" fire alarm system under consideration in operation

1.3 During Phase III, the Final Design Development and Bid Preparation Phase, the Engineer will perform the following tasks:

- Prepare final design fire alarm system drawings and specifications for Towers I, II and III and the Mall
- Prepare documents suitable for putting the Project out for competitive bid
- The drawings and specifications will be specific as to site conditions that may affect the installation or performance of the new fire alarm system.
- The bid documents will provide specific bidding information and guidelines for the bidding contractors.

•The bid documents will contain specific requirements and information which must be provided by the contractor before work may commence. Those requirements will include:

- Minimum insurance requirements

- A list of at least four (4) references of clients for similar work

- A list of at least two (2) references of credit

•The drawings and specifications will be specific with regard to the materials to be used, the methods of application, methods of payment, time limitations, and warranties to be provided by the contractor. They will include a notice that the contractor will be held responsible for the Engineer's fees for any inspections of the work beyond 6 or 18 months, whichever the Contractor is allowed for completion of the work, following commencement of the work, should the work not be completed within the time allowed by the Contract for its completion.

•The bid documents will include breakdowns for both unit and lump-sum prices in order to maximize the Association's flexibility of choice and cost control.

•A separate section of the specifications included in the bid package must provide detailed terms and conditions governing the manner in which all work will be performed. This section must inform all bidders that the contract will be prepared by Association's attorneys. Included in this section, along with warranty requirements, insurance requirements, and applicable code listings, there must be procedures for:

- material handling and storage

- removal and disposal of any construction debris generated by the work

- erecting safety signs, barricades and device

- submitting a progress schedule and such revisions as may be requested from time to time by the Engineer or the Association

- submitting a schedule of values and such revisions to that schedule as may be requested

from time to time by the Engineer or the Association

- obtaining approval of shop drawings whenever required by the drawings or specifications, or by the Engineer
- submitting progress payment requests
- obtaining permits
- conducting tests and inspections
- resolving disputes over interpretation of the drawings and specifications (excluding arbitration except where required by New Jersey statute)
- guaranteeing materials and workmanship
- turning over to the Engineer, but for the Association's use and benefit, on completion of the work those warranties and those operations, instruction and maintenance manuals or literature as materials or equipment manufacturers may provide
- obtaining Engineer's, Association's and municipal's authorities' final acceptance of completed work
- turning over to the Engineer, but for the Association's use and benefit, all lien releases and waivers reasonably required by the Association
- cooperating and interacting with Municipal Fire Subcode Official

1.4 During Phase IV, the Bidding Phase, the Engineer will perform the following duties:

- Issue bid packages to any number of, but in no event, less than 3, contractors selected by the Association, provided that each contractor submits references acceptable to the Engineer, is judged by the Engineer capable of performing the work, attends a pre-bid general site meeting, and submits a sealed bid directly to the Association on time, which bid includes at least the following:
 - a formal invitation to bid;

- a completed bid proposal form, with appropriate alternates and both lump sum and unit prices;
 - a bid bond, if requested by the Association;
 - a clear instruction that all bids must be sealed and sent to the Association's General Manager by a specified date and a conspicuous warning that contractors who do not attend the pre-bid general site meeting when scheduled by the Engineer will not be able to reschedule that meeting; and
 - arrange and conduct one pre-bid general site meeting to explain in detail to all contractors who intend to submit bids the scope and requirements of Project and to answer any questions posed by such potential bidders.
- assist the Association in selection of and pre-qualifying contractors having the expertise, personnel, financial resources and logistical support necessary to complete the specified work, within the time to be allowed, in a skilled and workmanlike manner
- the bids will be opened by the Association's Board of Directors. Engineer can attend the bid opening. Copies of each bid received will be given to the Engineer in a timely manner after they have been opened. The Engineer will then perform the following tasks:
- prepare a written matrix summarizing and comparing the bids for the Association
 - review bids
 - provide spread sheet analysis of bid proposals
 - issue a written report to the Association which is to include a narrative of Engineer's knowledge of each contractor, as well as information given to the Association with each contractor's bid proposal and during any contractor interviews; assist the Association's General Manager in negotiating a contract; and assist and make recommendations to the Association's attorneys in connection with the preparation of a contract for the Project. Any additional meetings which the Engineer is required to attend for contractor interviews will be additional services as defined in Section 7.3, for which the Engineer will be compensated at the hourly rates described in Section 6.5

1.5 During Phase V, the Construction and Municipal Pre-Approval and Inspections Phase, the Engineer will perform the following duties:

A. As to Municipal Preapproval:

- Prepare, file and obtain 3 approvals of applications for fire alarm system work with the Municipal Construction Code Official and Fire Subcode Official

B. As to Construction:

- Arrange and attend Project Initiation Conference at Project initiation with representatives of the Association and the selected contractor, in order to compile

- Submissions list; establish that contractor will adhere to the Project progress schedule to be included in the Specifications and to establish that access and delivery requirements, crew assignments, etc., are coordinated by the contractor through and with Association.

- Review proof of insurance (if required) and performance bond (if required) submitted by the contractor and verify issuance of all construction permits required by municipal construction code and sub-code officials and other agencies, both governmental and quasi-governmental having jurisdiction over the Association, the Condominium or the Project.

- Provide the Association with a letter for distribution to the residents and other occupants of the Condominium, which will include the expected start date, anticipated scope of work and how residents and other occupants are expected to prepare for the work, and the number for Engineer's 24-hour emergency telephone.

- Conduct a minimum of one site visit each week during the construction period (which it is anticipated will either be 6 or 18 months), to verify that the work in progress conforms to all applicable codes and the highest industry standards, and to the drawings, specifications and materials lists. Subsequent to each visit the Engineer will promptly issue a written report to the Association on its observations and findings.

•Request that the contractor's superintendent maintain regular telephone contact with the Engineer or foreman during active construction periods and inform the Engineer and the Association weekly of the progress of the work; receive and review weekly written reports from the contractor detailing the work of the preceding week, the anticipated schedule for the upcoming week, and any unforeseen problems or delays the contractor has encountered.

•Schedule at least one interim job meeting each week during the construction period (which meeting shall coincide with site visits), or at more frequent intervals if requested by Association's General Manager, to be attended by representatives of Association, Engineer, and contractor. (Additional meetings, if any, will be billed according to Sections 6.4 and 6.5 as Additional Engineering Services.)

•Review shop drawings made by the contractor, when and if those drawings are needed in the Engineer's estimation.

•Review and certify for payment invoices or requisitions for payment submitted by the contractor. Engineer's certification for payment shall constitute a representation to the Association, based on the Engineer's evaluation of the Work and on the data comprising the Contractor's application for payment that the work has progressed to the point indicated and the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject (i) to an evaluation of the work for conformance with the Contract Documents upon substantial completion, (ii) to results of subsequent tests and inspections, (iii) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Engineer.

•Review and either approve or disapprove, in Engineer's discretion, change orders prepared by Association or contractor required to reflect any changes in the scope of the Project. No change order will be effective unless signed by the contractor, the Association and the Engineer, or an authorized representative of each.

•Conduct a final inspection with the contractor and the Association, and the Association's General Manager, on completion of the Project, and compile and issue a punchlist of defective and incomplete work and

materials; reinspect the Project upon notice from the contractor that all defective work and materials have been corrected or replaced and that the work fully conforms to the drawings and specifications, and this Agreement, certify to the Association and contractor that the Project is at a stage of final completion and certify the amount of the final payment (including release of retainages) to be made to the contractor by the Association.

•Receive and review for completeness 3 sets of all submissions the contractor is to make on completion and as a condition of receiving final payment. These submissions will be described in the contract between the Association and contractor and will include at least warranties, as-built drawings, lien releases and waivers to be given to the Association by the contractor. The Engineer will deliver 2 sets to the Association and retain 1 set for its records.

B. As to Municipal Inspection:

•Request and arrange for periodic inspections and walk-throughs with Municipal Fire Subcode Official during installation of the system and on completion of the installation, and for subsequent inspections until the work is approved by that Official

ARTICLE 2

Time

- 2.1 The time within which the work and services described in Section 1.1 is to be completed by the Engineer is 3 weeks following the execution of this Agreement.
- 2.2 The time within which the work and services described in Section 1.2 is to be completed by the Engineer is 3 weeks following the execution of this Agreement.
- 2.3 The work and services described in Section 1.3 is to be completed by the Engineer not later than 4 weeks following Association's review and approval of the design development phase as described in Section 1.2.
- 2.4 The time within the work and services described in Section 1.4.A is estimated to take no more than 3 weeks.
- 2.5 The time within which the work and services described in Section 1.5 cannot be established until the Association contracts with the bidder selected. However, the Engineer

does estimate that the Project will take either 6 or 18 months following its initiation to complete, depending on whether a contractor is engaged to work simultaneously on all three residential tower buildings, or to work on only one at any given time, completing each building in sequence. The Engineer will use its best efforts to see that the Project is completed within that period.

- 2.6 The Engineer is not responsible for delays caused by government reviews and approvals required for the Project.

ARTICLE 3

USE OF ENGINEER'S DOCUMENTS

Documents prepared by the Engineer are instruments of service for use by the Association with respect to this Project. The Engineer will retain all common law, statutory and other reserved rights, including copyright. The Association cannot reuse or permit the reuse of the Engineer's documents by others except by agreement in writing. The Association does have the right, however, to have, keep and to use copies, and to allow the use of copies by others in connection with the Project and in connection with the service, maintenance and repair of every aspect of the Project following its completion.

ARTICLE 4

TERMINATION, SUSPENSION OR ABANDONMENT

- 4.1 The Association may terminate this Agreement without cause on giving the Engineer no less than 7 days' written notice. In that event the Association must pay the Engineer for all work completed by the Engineer up to the date on which the Engineer receives that notice. In the event that the Engineer is terminated in accordance with this paragraph 4.1, the Association shall indemnify, defend (at Engineer's option) and hold harmless Engineer, its directors, officers and employees from and against any and all costs, losses and damages (including, but not limited to, reasonable attorney's fees and expenses) arising out of the use of the Engineer's drawings, specifications and other documents prepared by Engineer for the project.
- 4.2 The Engineer may terminate this Agreement if the Association awards a contract for the Project to a contractor who, in the Engineer's opinion, is unqualified to perform the work, in which event the Association's liability to the Engineer will be to make full payment for all services provided up to the time of that termination. In the event that the