



## A.C.O.R.N.

### *The Alliance To Conserve Old Richmond Neighborhoods*

1307-A East Cary Street \* Richmond, Virginia, 23219 \* (804) 422-2148 \* FAX (804) 422-2147 \*

#### SERVICE AGREEMENT

May 9, 2007

THIS SERVICE AGREEMENT, executed this date above, between **The Alliance to Conserve Old Richmond Neighborhoods** (hereinafter referred to as "Company") and \_\_\_\_\_ (hereinafter referred to as "Client") to retain the services of Company. All work and services will be performed by Company when Client has executed this Service Agreement and made the required deposit.

#### ARTICLE I PROPERTY

Client is hiring Company to provide professional services with respect to Client's application for State Historic Preservation Investment Tax Credits. The property is located at the following address: \_\_\_\_\_ (hereinafter referred to as the "Property"). By signing this Service Agreement, I am certifying that the owners of the Property are \_\_\_\_\_. If Client is not the owner of the Property, Client agrees to guarantee payment on behalf of the owner of the property to Company. Company reserves the right to collect any fee due under this Service Agreement from Client without first making demand on or collecting from the owner of the Property.

#### ARTICLE II SERVICES

Company will assist Client in completing the following parts of the Historic Preservation Certification Application (the "Application"):

Part 1 – Evaluation of Significance – **State Application / Federal / Both**

Part 2 – Description of Rehabilitation– **State Application / Federal / Both**

Part 3 – Certification of Completed Work– **State Application / Federal / Both**

## ARTICLE II, continued

Company will track and monitor each part of the Application as well as all necessary photographs, film processing and copying of documents necessary for the submission of the Application.

The total fee for the services performed by the Company will be **\$ 1,750.00**. A **deposit** of **\$ 1,000.00** is required before any services will be performed; balance is due upon completion and submittal of Part 3. Company has not been retained until this Service Agreement is signed and Company has received the deposit. Balance will be due upon completion of all parts of the Application. **PLEASE NOTE** that this fee for services performed by the Company area for only the work outlined in this Agreement. Additional fees required for review for approval of the Application by the Virginia Department of Historic Resources for the State of Virginia and the National Park Service for the Federal Government will be the responsibility of the Client (see separate VDHR Billing Statements, attached)

By signing below, Client agrees to pay all invoices within thirty (30) days of the date of mailing of any invoice. If Client fails to make payment within thirty (30) days of the date of mailing of any invoice, Client agrees to pay an annual interest charge equal to 18% on the outstanding balance until it is paid in full. Client agrees to authorize Company to place a lien against the Property for any outstanding fees due under this Service Agreement if Client fails to pay any invoice within thirty (30) days of the date of mailing of any invoice. Client also agrees to reimburse Company for all reasonable attorney's fees, collection costs, court fees and expenses that Company incurs trying to collect any outstanding balance owed by Client under this Service Agreement.

Company is not providing Client with any tax advice concerning the use or allocation of any tax credits received as a result of the Application. Client shall be required to pay Company for services rendered even if the Application is not approved. Company will make all reasonable efforts to assist Client in obtaining approval of the Application.

## ARTICLE III

### PROPOSED SCHEDULE OF SERVICES

To assist Client in obtaining approval of the Application as quickly as possible, Company proposes the following schedule to complete services:

- Completion of Part I of the Application by 5:00 pm on or before \_\_\_\_\_
- Completion of Part II of the Application by 5:00 pm on or before \_\_\_\_\_ provided that preliminary architectural drawings and specifications that comply with the Secretary of the Interior's Standards for Rehabilitation (the "SISR") have been received by the Company. The Company shall make the sole determination if the drawings and specifications are in compliance with the SISR; and/or
- Completion of Part III of the Application within 15 business days of the receipt of certified construction costs from Client or the Client's Certified Public Accountant provided the project exceeds the required threshold expenditure of \$100,000.00. Certified construction costs are those costs of rehabilitation that are eligible for the tax credits.

In order for the Company to comply with the above schedule, Company must be a materially participating member of Client's project team. Company must be consulted by the project team during all phases of the rehabilitation project. Failure to consult with Company during all phases of the project could result in the denial of tax credits or unnecessary expenses in correcting work that does not comply with the SISR. Company will not be held liable for any damages incurred by Client as a direct or indirect result of Client's failure to consult with Company.

**ARTICLE IV**  
**MISCELLANEOUS PROVISIONS**

Company does not guarantee any results to Client. Approval of the Application is dependent on a variety of factors outside Company's control. Client agrees to hold Company harmless and indemnify Company against any and all claims by third parties against Company arising out of the services rendered by Company to Client. Company hereby expressly disclaims any and all express warranties or warranties of fitness for a particular purpose.

**NOTE:**

The Client is responsible for determining how to utilize the Historic Rehabilitation Tax Credit once awarded by the Virginia Department of Historic Resources (VDHR). There are two options for use of the credit:

1. Use the Credit to reduce any tax liability on Virginia income tax returns and / or Federal tax returns. The amount of the Credit is determined by the expenses incurred during the renovation of a certified historic structure (see list of Qualifying Rehabilitation Expenses).
2. Syndicate the Historic Rehabilitation Tax Credit. Credits may be syndicated (sold) through the investment market if desired by the Client. Company recommends consulting with a qualified tax credit syndicator, tax credit lawyer, or tax credit investment group.

Once the Client determines how to use the Credit, Client shall notify Company of its intended prior to the submittal of Part 3 so that Company may properly advise Client through the Application process. The Company is not responsible for any part of the actual syndication process.

Client agrees that the rehabilitation project should be completed no later than the \_\_\_ day of \_\_\_\_\_, 2007 (the "Completion Date"). If the rehabilitation project has not been completed by the Completion Date, Company shall be under no further obligation to provide services to Client and all fees under this Service Agreement shall become immediately due and payable. Company may agree to continue to provide services to Client beyond the Completion date but such decision is solely within the discretion of the Company.

Either party may terminate this Service Agreement at any time by giving thirty (30) days advance written notice to the other party. This Service Agreement shall automatically terminate on the thirtieth (30<sup>th</sup>) day after the non-terminating party has received the written termination notice from the terminating party. Client agrees to pay Company for all services as indicated on the most recent invoice sent to Client and termination of this Service Agreement shall not prejudice any other rights either party may have against the other at law or in equity.

This Service Agreement is governed by the laws of the Commonwealth of Virginia. Client and Company agree that any dispute arising under this Service Agreement shall be settled by a court of competent jurisdiction in Richmond, Virginia. Client hereby waives its right to request a change of venue to a court outside of Richmond, Virginia.

By signing below, the parties certify that they have had ample time to review this document, have read this document and understand its terms and conditions.

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A.C.O.R.N. ~ The Alliance to Conserve Old Richmond Neighborhoods

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Signature of Client

Office Held: \_\_\_\_\_

Name of Company (if applicable): \_\_\_\_\_