



A.C.O.R.N.

The Alliance To Conserve Old Richmond Neighborhoods

104 Shockoe Slip, Lower Level * Richmond, Virginia, 23219 * (804) 644-5040

SERVICE AGREEMENT

MONTH / DAY, YEAR

THIS SERVICE AGREEMENT, executed this date above, between **The Alliance to Conserve Old Richmond Neighborhoods** (hereinafter referred to as “Company”) and **CLIENT** (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: **PROPERTY ADDRESS** (hereinafter referred to as the “Property”). By signing this Service Agreement, I am certifying that I am the owner of the property. 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 Applications (the “Application”):

 X Part I – Evaluation of Significance – **State / Federal / Both / Phases?**

 X Part II – Description of Rehabilitation – **State / Federal / Both / Phases?**

 X Part III – Certification of Completed Work – **State / Federal / Both / Phases?**

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 within one month of Company's receipt of preliminary architectural drawings and specifications that comply with the Secretary of the Interior's Standards for Rehabilitation (the "SISR").
- Completion of Part II of the Application within one month of Company's receipt of preliminary architectural drawings and specifications that comply with the Secretary of the Interior's Standards for Rehabilitation (the "SISR"). 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 ~ FEES

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 **\$ See separate rate sheet**. A **deposit of \$1,500.00** is required before any services will be performed; balance is due upon completion and submittal of Part III. 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.

FEE CONDITIONS: NOTE that the fee for services performed by the Company is for only the work outlined in this Agreement under Article II.

1. 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 billing statements, attached).

ARTICLE IV ~ FEES, continued

2. Should this rehabilitation tax credit project require additional applications or submissions to other departments or divisions of the Virginia Department of Historic Resources and/or the National Park Service (including, but not limited to, historic district nomination review committee), Company shall reserve the right to charge Client an additional hourly rate of \$60.00 for the research, preparation and/or presentation of such application or submission.
3. Company shall reserve the right to charge Client an additional hourly rate of \$60.00 if written amendments to the Application (Parts II and III) become excessive. Excessive shall be defined as more than two (2) amendments to any single part of the Application.
4. If it is determined a project will require multiple phases in order to complete the required work on the property, the above fee will cover Parts 1, 2 & 3 of the first phase. Subsequent phases of the initial application will be billed out at the hourly rate of \$60.00, and will be billed out on a monthly basis.

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 V ~ 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).

ARTICLE V ~ MISCELLANEOUS PROVISIONS, continued

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, broker, 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.

If this is a phased project, Client agrees that all phases of the rehabilitation project will not exceed the five year maximum allowed by the State of Virginia, and should be completed no later than the DAY of MONTH, YEAR (the "Completion Date"). If all phases of the rehabilitation project are not 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 (30th) 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.

ALLIANCE REPRESENTATIVE
The Alliance to Conserve Old Richmond Neighborhoods

CLIENT
Client for ADDRESS