

**IN THE CIRCUIT COURT FOR
SOMERSET COUNTY, MARYLAND**

SOUTHERN BUILDERS, INC.)	
)	
Plaintiff,)	
)	
v.)	
)	
SHAW DEVELOPMENT, LLC)	CASE NO.: 19-C-07-011405
)	
Defendant.)	
)	
SHAW DEVELOPMENT, LLC)	
)	
Counter-Plaintiff,)	
)	
v.)	
)	
SOUTHERN BUILDERS, INC.)	
)	
Counter-Defendant.)	
)	

COUNTER-COMPLAINT

Defendant/Counter-Plaintiff, Shaw Development, Inc. ("Shaw Development"),
by and through its undersigned attorneys, sues Plaintiff/Counter-Defendant, Southern
Builders, Inc. ("Southern Builders), and in support thereof, states as follows:

FACTS COMMON TO ALLCOUNTS

1. In November 2004, Shaw Development purchased property located on
West Main Street and the City Dock in Crisfield, Somerset County, Maryland, having a
street address of 1021 West Main Street (the "Property").

2. Shaw Development financed the acquisition of the Property through a loan from Royal Bank America ("Royal Bank") in the amount of One Million, Two Hundred Seventy-Five Thousand Dollars (\$1,275,000.00). Royal Bank secured the loan with a Deed of Trust on the Property. That loan was subsequently modified, extending the maturity date of the note until November 2006, in return for a twenty-five percent (25%) interest in the future development of the Property and immediate payment of the loan exit fee of One Hundred Twenty-Five Thousand Dollars (\$125,000.00).

3. On April 7, 2005, Shaw Development retained Southern Builders to construct the Captain's Galley Luxury Condominiums (the "Captain's Galley") on the Property. The Captain's Galley is a luxury condominium complex consisting of a six story, seven level structure, containing twenty-three (23) residential units, a restaurant and six (6) boat slips (the "Project").

4. Southern Builders agreed to serve as the General Contractor for the Project. In this regard, Southern Builders and Shaw Development entered into a Stipulated Sum Contract in the amount of Six Million, Nine Hundred Ninety-Five Thousand Dollars (\$6,995,000) for the construction of the entire Project (the "Contract"). A copy of the Contract is attached hereto as Exhibit A.¹ To date, with approved change Orders, Southern Builders has received Seven Million, Four Hundred Fifty-Two Thousand, Eight Hundred Twenty Dollars and Sixteen Cents (\$7,452,820.16).

¹The Contract consists of five (5) parts: (a) the Standard Form of Agreement; (b) the Supplemental and Other Conditions; (c) the Project Manual; (d) Drawings; and (e) four (4) attachments to the Standard Form Agreement.

5. Construction financing for the Project in the amount of Eight Million, Nine Hundred Seventy-Four Thousand Dollars (\$8,974,000.00) was again obtained through a loan from Royal Bank with a maturity date of November 2006. The construction loan was secured with another Deed of Trust on the Property.

6. The Contract required substantial completion of the entire Project by June 2006. Nearly nine (9) months after the required completion date, the Project is still not finally completed, the Project contains numerous deficiencies, and much of the Project work was not performed in conformance with the contract documents.

7. As a direct result of the aforementioned delays, Royal Bank placed the loans in default. On January 22, 2007, Royal Bank initiated Confessed Judgment proceedings in the Circuit Court for Harford County, seeking repayment of Ten Million, Two Hundred Ninety-Eight Thousand, Ninety-Nine Dollars and Eighty-One Cents (\$10,298,099.81) in principal, interest, late fees and attorney fees. The repayment amount is comprised of late fees in the amount to Four Hundred Sixteen Thousand, Four Hundred Eighty-One Dollars and Sixteen Cents (\$416,481.16) and other costs of collection including attorney fees. In addition, interest continues to accrue at the rate of Two Thousand, Nine Hundred Ninety-Four Dollars and Eighty-Nine Cents (\$2,994.89) per day.

8. The interest, late fees and costs of collection are a direct consequence of Southern Builders' failure and/or refusal to construct the Project in the agreed timeframe and in accordance with the Contract, Scope of Work and Project Manual.

9. Other damages to Shaw Development result from Southern Builders' failure to construct the Project in a good and workmanlike manner.



10. Specifically, the Project Manual and Scope of Work required Southern Builders to construct an environmentally sound "Green Building," in conformance with a "Silver Certification Level according to U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) Rating System," as more specifically set forth in the Project Manual and Project Specifications, Division I Section "LEED Requirements." See Project Manual, Division 1, Section 100(1.2)(D)(2), a copy of which is attached hereto as Exhibit B. In failing to comply with this contractual requirement, Shaw Development will suffer damages in the amount of a Six Hundred Thirty-Five Thousand Dollar (\$635,000.00) tax credit.

11. The Project Manual and Scope of Work also required Southern Builders to provide general field offices and storage and fabrication sheds (the "Temporary Facilities") during construction. See Scope of Work, p. 1, a copy of which is attached hereto as Exhibit C. See also Project Manual, Division 1, Section 500(2.2)(A), a copy of which is attached hereto as Exhibit D. Because Southern Builders refused to comply with this contractual obligation, Shaw Development provided the Temporary Facilities at a cost of Nineteen Thousand Dollars (\$19,000.00). Despite repeated requests, Southern Builders refuses to reimburse Shaw Development.

12. The Project Manual and Scope of Work also require Southern Builders to supply and install a 405,000 BTU swimming pool water heater (the "water heater"). See Project Manual, Division 13, Section 152(2.5)(A), a copy of which is attached hereto

as Exhibit E. The estimated cost of the water heater is Four Thousand Dollars (\$4,000.00). Despite receiving payment for the water heater and despite repeated requests for delivery and installation of the water heater, Southern Builders refuses to comply with this contractual obligation.

13. The Project Manual and Scope of Work also require Southern Builders to construct a twelve foot (12') diameter baby swimming pool and a surrounding deck. See Scope of Work, p. 4, a copy of which is attached hereto as Exhibit C. The estimated cost to complete the deck is Fifty-Five Thousand Dollars (\$55,000.00). Despite receiving payment and despite repeated requests to complete the deck, Southern Builders refuses to comply with this contractual obligation. Shaw Development is owed an additional Twelve Thousand Dollar (\$12,000.00) credit for the construction of the baby pool.

14. The Project Manual and Scope of Work also require Southern Builders to install electric base board heating in the sprinkler room, elevator machine room, pool equipment room and ground level and roof top elevator lobbies. See Exhibit C, p. 5. Despite receiving payment for the electric base board heating and despite repeated requests for delivery and installation of the electric base board heating, Southern Builders refuses to comply with this contractual obligation. The estimated cost of completion is Five Thousand Dollars (\$5,000.00).

15. The Project Manual and Scope of Work require Southern Builders to provide a television shelf in each of the twenty-three (23) units (estimated to cost Five Hundred Dollars (\$500.00) per unit) and valances (at a cost of One Thousand Three Hundred Dollars (\$1,300.00) per unit) over the sliding doors in each of the twenty-three

(23) condominium units. See Exhibit C, p. 5. Despite receiving contract payments for the work, and despite repeated requests for delivery and installation of the television shelves and valances, Southern Builders refuses to comply with this contractual obligation.

16. The Project Manual and Scope of Work require Southern Builders to paint the stairwell floors at a cost of Eight Thousand Dollars (\$8,000.00). Despite receiving payment for this work and despite repeated requests to perform the work, Southern Builders refuses to comply with this contractual obligation.

17. The Project Manual and Scope of Work require Southern Builders to clean the job site before, during, and after construction. Specifically, Southern Builders was required to, “[c]lean exposed exterior and interior hard-surfaced finishes to a dirt-free condition, free of stains, films and similar foreign substances.” Project Manual, Division 1, Section 770(3.1)(B)(1)(c), a copy of which is attached hereto as Exhibit F. During construction, Southern Builders spilled hydraulic oil, permanently staining the parking lot. New pavement is needed at a cost of Ten Thousand Dollars (\$10,000.00). Despite repeated requests to clean up the hydraulic oil spill, Southern Builders refuses to comply with this its contractual obligation.

18. The Project Manual further provides that Shaw Development is to receive an Eight Thousand Dollar (\$8,000.00) allowance for landscaping as specified in Division 2, Section 02920 “Lawns and Grasses” and Section 02930 “Exterior Plants.” See Project Manual, Division 1, Section 210(3.3)(A), a copy of which is attached hereto

as Exhibit G. Despite repeated requests for the landscaping, Southern Builders refuses to comply with this contractual obligation.

19. Southern Builders' defective work caused damage to the roof of the adjoining restaurant resulting in significant interior water damage. Specifically, Shaw Development has incurred more than Fifteen Thousand Dollars (\$15,000.00) in damages, including but not limited to, the repair and/or replacement of facsimile machine, computers, payroll checks, letterhead and envelopes, manuals and forms, telephones, answering machine and modem. Despite repeated requests, Southern Builders refuses to reimburse Shaw Development.

20. The Contract required Southern Builders to perform a site survey. The Project Manual 3.3A required Southern Builders to verify layout information shown on the Contract Drawings in relation to the property survey. The Project Manual set forth exacting standards for Southern Builders' land surveyor to follow. Southern Builders did not conduct a survey in compliance with the Contract requirements and, as a direct result, failed to properly locate the boundary and then commenced work by encroaching five (5) feet on someone else's property, causing the project to shut down for over thirty (30) days and caused damages in excess of Eighty-Eight Thousand Dollars (\$88,000.00).

21. The deficiencies and delays caused by Southern Builders have caused hundreds of thousands of dollars in damages to Shaw Development in the form of stalled sales, extra costs and lost revenue.

hereto as Exhibit G. Despite repeated requests for the landscaping, Southern Builders refuses to comply with this contractual obligation.

19. Southern Builders' defective work caused damage to the roof of the adjoining restaurant resulting in significant interior water damage. Specifically, Shaw Development has incurred more than Fifteen Thousand Dollars (\$15,000.00) in damages, including but not limited to, the repair and/or replacement of facsimile machine, computers, payroll checks, letterhead and envelopes, manuals and forms, telephones, answering machine and modem. Despite repeated requests, Southern Builders refuses to reimburse Shaw Development.

20. The Contract required Southern Builders to perform a site survey. The Project Manual 3.3A required Southern Builders to verify layout information shown on the Contract Drawings in relation to the property survey. The Project Manual set forth exacting standards for Southern Builders' land surveyor to follow. Southern Builders did not conduct a survey in compliance with the Contract requirements and, as a direct result, failed to properly locate the boundary and then commenced work by encroaching five (5) feet on someone else's property, causing the project to shut down for over thirty (30) days and caused damages in excess of Eighty-Eight Thousand Dollars (\$88,000.00).

21. The deficiencies and delays caused by Southern Builders have caused hundreds of thousands of dollars in damages to Shaw Development in the form of stalled sales, extra costs and lost revenue.

COUNT I
(Breach of Contract)

22. Shaw Development incorporates Paragraph 1 through 21 of the Counter-Complaint as if fully set forth herein.

23. Southern Builders is obligated under the Contract to achieve final completion by addressing each and every punchlist item and, to date, Southern Builders has failed to do so. The estimated cost of outstanding punchlist items is Ten Thousand Dollars (\$10,000.00).

24. On or about April 7, 2005, Shaw Development and Southern Builders entered into a stipulated sum contract for the construction of the Project. Southern Builders breached its contract with Shaw Development by failing to, among other things: (1) complete the work in accordance with the minimum standards expected of a reasonably competent general contractor; (2) complete the work in accordance with industry standards; (3) complete the work in a timely manner; (4) complete the work in a manner so as not to delay other contractors, subcontractors or suppliers; (5) complete the work in accordance with the Contract, Scope of Work and Project Manual; (6) construct an environmentally sound "Green Building," in conformance with the LEED Rating System; (7) provide Temporary Facilities during construction; (8) supply and install a 405,000 BTU swimming pool water heater; (9) adequately construct the baby swimming pool; (10) failing to complete the spa deck; (11) supply and install television shelves and valances in each of the twenty-three (23) condominium units; (12) paint the stairwell floors; (13) clean the job site; (14) provide the required landscaping and landscaping allowance; and (15) properly perform a site survey in accordance with the Contract

Documents. In addition, Southern Builders' defective construction caused significant water damage to the adjoining restaurant.

25. Southern Builders' inability to complete its contractual obligations, free of error and in a timely or any manner, seriously hampered Shaw Development's ability to open the facility, stalled sales, caused inconvenience, and caused Southern Builders to incur increased and additional construction costs, marketing and other expenses. Southern Builders' breaches have also caused Shaw Development to default on its loans with Royal Bank, resulting in extended interest payments, late fees and litigation expenses payable to Royal Bank's attorneys.

WHEREFORE, Shaw Development demands judgment in its favor and against Southern Builders for:

(a) Two Hundred Fifty-Six Thousand, Four Hundred Dollars (\$256,400.00) in compensation for incomplete and non-conforming work as well as work performed in contravention of the Contract Documents;

(b) Six Hundred Thirty-Five Thousand Dollars (\$635,000.00) in tax credits for failing to construct the Project in conformance with a "Silver Certification Level according to U.S Green Building Council's Leadership in Energy & Environment Design (LEED) Rating System;

(c) Four Hundred Sixteen Thousand Dollars (\$416,000.00) in impact damages arising out of the Royal Bank default; and

(d) Interest, costs, and such other and further relief as justice and this cause may require.

COUNT II
(Negligence)

26. Shaw Development incorporates Paragraph 1 through 25 of the Counter-Complaint as if fully set forth herein.

27. As a professional, licensed and certified general contractor, Southern Builders was required to exercise the skill and diligence ordinarily required of general contractors.

28. In fact, Southern Builders represented that its work would not be defective, non-conforming, and in contravention of the Contract Documents. Furthermore, Southern Builders represented that it possessed and would exercise and apply skill, ability, judgment, and taste reasonably and without neglect.

29. Thus, Southern Builders had a duty to provide Shaw Development general contracting services consistent with sound general contracting practices and in accordance with accepted industry practices and standards.

30. Despite its obligation to do so, Southern Builders repeatedly and continuously failed to do so.

31. The improper, defective and deficient construction by Southern Builders caused hundreds of thousands of dollars of damages to Shaw Development in the form of stalled sales, extra costs, lost revenue, extended interest payments and litigation expenses. Southern Builders' inability to complete its contractual obligations, in a timely and conforming manner, seriously hampered Shaw Development's ability to sell condominium units, caused inconvenience, and caused Shaw Development to incur interest, marketing and other expenses.

WHEREFORE, Shaw Development demands judgment in its favor and against Southern Builders for:

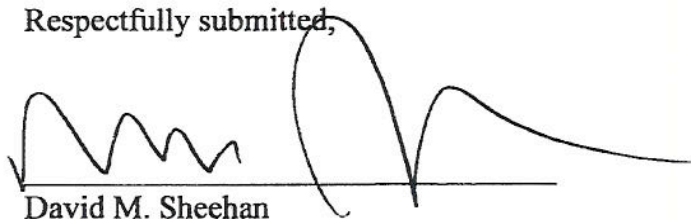
(a) Two Hundred Fifty-Six Thousand, Four Hundred Dollars (\$256,400.00) in compensation for incomplete and non-conforming work as well as work performed in contravention of the Contract Documents;

(b) Six Hundred Thirty-Five Thousand Dollars (\$635,000.00) in tax credits for failing to construct the Project in conformance with a "Silver Certification Level according to U.S Green Building Council's Leadership in Energy & Environment Design (LEED) Rating System;

(c) Four Hundred Sixteen Thousand Dollars (\$416,000.00) in impact damages arising out of the Royal Bank default; and

(d) Interest, costs, and such other and further relief as justice and this cause may require.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "David M. Sheehan", written over a horizontal line.

David M. Sheehan
Michael E. Blumenfeld
Brown & Sheehan, LLP
1010 Hull Street, Third Floor
Baltimore, MD 21230
Tel: (410) 296-8500
Fax: (410) 296-1559

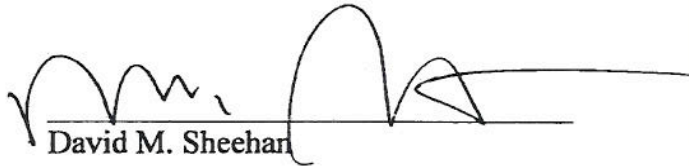
Attorneys for Defendant/Counter-Plaintiff
Shaw Development, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of February, 2007, a copy of Shaw Development, LLC's Counter-Complaint was hand-delivered to:

J. Garrett Sheller, Esquire
Long & Badger, P.A.
124 East Main Street
P.O. Box 259
Salisbury, Maryland 21803-0259

Attorneys for Plaintiff/Counter-Defendant.



David M. Sheehan

AIA Document A101™ - 1997

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a STIPULATED SUM

AGREEMENT made as of the 27th day of APRIL in the year of 2005
(In words, indicate day, month and year)

BETWEEN the Owner:
(Name, address and other information)

SHAW DEVELOPMENT GROUP LLC
615 TWIN BROOK LANE
JOPPA, MARYLAND 21085

and the Contractor:
(Name, address and other information)

SOUTHERN BUILDERS, INC.
P.O. BOX 3892
SALISBURY, MARYLAND 21802

The Project is:
(Name and location)
THE CAPTAIN'S GALLEY
LUXURY CONDOMINIUMS
WEST MAIN STREET & THE HARBOR
CRISFIELD, MARYLAND 21817

The Architect is:
(Name, address and other information)

JOY ARCHITECTURE/ENGINEERING INC.
310 HAMMOND STREET, SUITE 100
SALISBURY, MARYLAND 21801

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by The Associated General Contractors of America.

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 8.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner. THE CONTRACTOR RECEIVES ALL THE REQUIRED BUILDING PERMITS, A FULLY EXECUTED AGREEMENT, EVIDENCE OF MUTUALLY ACCEPTABLE FINANCING AND BENEFICIAL USE OF THE SITE, WHICHEVER IS THE LATER.
(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

If, prior to the commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than 336 CALENDAR days from the date of commencement, or as follows:
(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

Portion of Work	Substantial Completion Date
<u>SUBSTANTIAL COMPLETION SHALL BE DEFINED AS THE DATE THE CERTIFICATE OF OCCUPANCY IS ISSUED.</u>	

subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)

N/A

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be SIX MILLION NINE HUNDRED, NINETY-FIVE THOUSAND DOLLARS AND 00/100 (\$ 6,895,000.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires)

§ 4.3 Unit prices, if any, are as follows: 60% OVERHEAD AND PROFIT FOR CHANGES IN THE WORK SHALL BE 10% IN ADDITION TO COST. UNIT UPGRADES SHALL BE 15% IN ADDITION TO COST.

Description	Units	Price (\$ 0.00)
-------------	-------	-----------------

ARTICLE 5 PAYMENTS

§ 5.1 PROGRESS PAYMENTS

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the TWENTY-FIFTH (25TH) day of a month, the Owner shall make payment to the Contractor not later than the TENTH (10TH) day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than FIFTEEN (15) days after the Architect receives the Application for Payment.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

1. Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of FIVE (5%). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;
2. Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of FIVE (5%);
3. Subtract the aggregate of previous payments made by the Owner; and
4. Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- 1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and A WRITTEN LIST OF SUCH ITEMS WITH DOLLAR AMOUNTS SHALL BE PREPARED PRIOR TO OCCUPANCY AND THE WORK SHALL BE COMPLETED TO THE SATISFACTION OF THE ARCHITECT WITHIN THIRTY (30) CALENDAR DAYS (Section 9.8.5 of AIA Document A201-1997 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- 2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-1997.

§ 5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

SEE 5.1.7.1

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- 1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and SEE 5.1.7.1
- 2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows: SEE 5.1.7.1

ARTICLE 6 TERMINATION OR SUSPENSION

§ 6.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-1997.

§ 6.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997.

ARTICLE 7 MISCELLANEOUS PROVISIONS

§ 7.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

(-)

ONE AND ONE-HALF PERCENT (1 1/2 %) PER MONTH

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

§ 7.3 The Owner's representative is:
(Name, address and other information)

JIM KRAPE
KRAPE CONSULTANTS INC.
138 BAYSIDE DRIVE
NORTH EAST, MARYLAND 21001

§ 7.4 The Contractor's representative is:
(Name, address and other information)

BRIAN DELAWDER, EXECUTIVE VICE PRESIDENT
SOUTHERN BUILDERS, INC.
P.O. BOX 3892
SALISBURY, MARYLAND 21802

§ 7.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 7.6 Other provisions:

UPON EXECUTION OF THIS AGREEMENT, THE OWNER SHALL PAY THE CONTRACTOR THE SUM OF THIRTY THOUSAND DOLLARS (\$30,000) TO COMPLETE STRUCTURAL ENGINEERING. NO FURTHER WORK OR FINANCIAL RESPONSIBILITY SHALL BE PERFORMED UNTIL THE OWNER PROVIDES EVIDENCE OF SATISFACTORY FINANCING AND NOTICE TO PROCEED. THIS AMOUNT IS PART OF THE TOTAL CONTRACT SUM.

ARTICLE 8 ENUMERATION OF CONTRACT DOCUMENTS

§ 8.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

§ 8.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

§ 8.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

§ 8.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated, and are as follows:

Document	Title	Pages
<u>SEE ATTACHED EXHIBITS</u>		

§ 8.1.4 The Specifications are those contained in the Project Manual dated as in Section 8.1.3, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages
<u>Title of Specifications exhibit:</u> <u>SEE ATTACHED EXHIBITS</u>		

§ 8.1.5 The Drawings are as follows, and are dated unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

AIA Document A191™ - 1997. Copyright © 1915, 1918, 1925, 1937, 1951, 1956, 1961, 1963, 1967, 1974, 1977, 1980, 1987, 1991 and 1997 by The American Institute of Architects. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law. This document was produced by AIA software at 15:29:44 on 04/07/2005 under Order No.1000142544_1 which expires on 10/22/2005, and is not for resale.

User Notes:

Number	Title	Date
Title of Drawings exhibit: <u>SEE ATTACHED EXHIBITS</u>		
§ 8.1.6 The Addenda, if any, are as follows:		

Number	Date	Pages
<u>SEE ATTACHED EXHIBITS</u>		
Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.		

§ 8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

EXHIBITS: A (6 PAGES), B (2 PAGES), C (4 PAGES) & D (1 PAGE)

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER (Signature)

(Printed name and title)

CONTRACTOR (Signature)

BRIAN DELAWDER
EXECUTIVE VICE PRESIDENT

(Printed name and title)

Exhibit A

Scope of Work: The Captain's Galley Condominiums

General Conditions:

- o Site supervision, temporary facilities, office trailer, temporary electric, water, dumpsters, and temporary fencing
- o Job site clean up
- o Liability insurance, workers compensation insurance and builders risk
- o Payment and performance bond
- o Concrete testing by an independent firm
- o Building permit including cost
- o Site surveying

Site work:

- o Site demolition limited to existing paving, curbing and sidewalks
- o Perimeter silt fence and stabilized construction entrance
- o Importation and placement of fill material not to exceed 2000 yards
- o Site grading and back fill
- o Compaction testing by an independent testing firm
- o Piling foundation, pre-cast concrete piling
- o Site concrete- sidewalks, dumpster pads, recycling pad, curbing, transformer pad
- o Bituminous paving, paving section under building; 4" of compacted aggregate base, 2" of surface course asphalt
- o Parking bumpers and pavement markings
- o Landscaping and drip irrigation, included as an allowance not to exceed \$8,000.00
- o Installation and connection of the sewer, domestic water, and fire service, connection to City services
- o Under ground conduits (from property line to building) for phone, electric, and cable TV for service by others
- o 1" drainable water line fed from the building extended to the bulkhead
- o Phone and cable run to the bulkhead

Concrete:

- o Post-tensioned concrete structure, pile caps, cast in place columns included design, and independent testing
- o Cast in place concrete stair towers, elevator shafts (including sump pits) and pool box
- o Pre-cast concrete stairs with aluminum nosings
- o Slab-on grade at stair towers and utility rooms

Exhibit A

The Captain's Galley Condos
Southern Builders Inc.

4

Special Construction:

- o Gunite swimming pool as depicted on the drawings with waterfall into lower pool and a 12' diameter baby pool, 8" deep with 18" seat
- o Pool accessories required by code, pool area to include foot wash, shower and drinking fountain

Conveying Systems:

- o Hydraulic elevators, 3500-pound passenger elevators, 125 FPM, plastic laminate wall panels, mirrored ceilings, standard finishes, tile floors, elevators based on Delaware Elevator specifications.

Mechanical:

- o Fire sprinkler system designed and installed per Code
- o Plumbing; plumbing is included in accordance with the pumping code
- o Waste and roof drains risers included as cast iron
- o Sanitary for restaurant to grease interceptor (separate stack from condos)
- o Plumbing fixtures: chrome Moen Villeta or equal (kitchen faucets Moen Chateau)
- o Toilets; elongated bone white, American Standard or equal
- o Domestic water booster pump
- o Water lines CPVC
- o Gas piping to water heaters, furnace, pool heater and restaurant, (restaurant gas is not included with welded pipe, welded pipe is not a code requirement)
- o Gas piping to individual gas meters, meters are by others
- o Water heaters 50 gallon gas
- o Sanitary lines and vent piping is included as PVC
- o Roof drains
- o Floor drains, in utility rooms, open vestibules, pool equip, public bathrooms
- o Oil detection sump pumps in elevator pits
- o HVAC; condos 90+ gas furnaces with humidifier, condenser unit, and thermostat (digital non programmable thermostat) 12 SEER equipment
- o 20 tons of HVAC for restaurant
- o Metal duct work insulated trunk lines
- o Insulated refrigerate piping
- o Flex duct for dryer and bath exhaust, vent on each floor

Electrical:

- o Main electric service and distribution equipment
- o Service conduits to transformer location, transformer and wire by others
- o Sub feeder from meter, 150 amp service to each condo
- o Electrical wiring to all condominium units and the restaurant

Exhibit A

The Captain's Galley Condos
Southern Builders Inc.

5

- o Receptacles, outlets, GFCI's, wiring for all HVAC equipment, appliances
- o Telephone and cable TV outlets Cat 5E cable, 4 outlets in the 3-bedroom units and 5 outlets in the 4 bedroom units
- o Fire alarm system, emergency/ exit lighting
- o Electric base board heaters in the sprinkler room, elevator machine room, pool equipment room, ground level and roof top elevator lobbies
- o Common area lighting, garage lighting, utility room lighting, restaurant lighting
- o Condo lighting:
- o Dining room; 3 head track, light/fan combo in bathrooms, recessed lighting at showers and vanities, 2 recessed lights at whirlpool tub, 1 recessed light at unit entrances, 4 recessed lights in kitchens, 2 recessed lights at kit. bar, 1 ea surfaced mounted light in laundry rooms and walk in closets, ceiling fans in the living room and bedrooms, 2 wall mounted lights at each balcony, surfaced and wall mounted lighting in corridors and common areas, garage light per code match existing building, wall mounted site lights 500 watts
- o Conduits for cable, phone and power to bulkhead, *FEEDER CABLE INCLUDED*
- o Bonding of pool and pool deck

Clarification:

We acknowledge the contract duration of 336 calendar days, however the attached construction is preliminary and subject to change I.E critical path, sequence, and duration of individual tasks.

Exclusions:

- o Demolition of existing structures
- o Pre-cast concrete walls
- o Gas tanks, gas meters and related costs
- o Half columns on balconies (shown on the building elevation drawings)
- o Roof pavers
- o Cabinetry in the laundry rooms, (wire shelving is included)
- o TV cabinets, (a TV shelf is included)
- o Emergency generator
- o Impact fees, mitigation fees, Tap fees, etc.
- ~~o Work to existing building~~ *SOFT EXISTING WORK, ROOF TILE IN*
- ~~o Painting the exterior of the building~~
- o Fit out, equipment, exhaust hood, finishes, interior walls, doors, casework, bar, etc. in the commercial space with the exception of the exterior walls, restrooms, carpet and kitchen tile and acoustical ceiling, lighting and HVAC
- o HVAC for the storage rooms
- o Building and ground signage
- o Curtains, blinds, fixtures/furniture/equipment
- o Removal/disposal of hazardous material
- o Electric, Telephone, CATV & Gas Service and associated costs
- o Relocation of utilities and related costs

Exhibit A

The Captain's Galley Condos
Southern Builders Inc.

6

Exclusions Continued:

- o Re-paving of adjacent roads
- o Under ground obstructions
- o Off site work of any type
- o Bulkheads, retaining walls, piers, marine work, etc
- o Utility Company costs
- o Architectural, Civil, Mechanical, and Electrical design, drawings and related costs
- o Structural Engineering, design, drawings and related costs with the exception of the piling foundation and structural concrete
- o Geotechnical Engineering, subsurface investigation and analysis and related costs
- o Trash compactor permanent dumpsters
- o Warranty beyond 12 Months from the date of Certificate of Occupancy
- o Performance bonus, liquidated damages or actual Damages
- o Southern Builders reserves the right to close out the contract within 90 days after the issuance of the certificate of occupancy.

EXHIBIT B

THE CAPTAIN'S GALLEY

Contract Documents

Contract Exhibit B

Drawings Prepared By Iott Architecture Engineering as follows:

Drawing No:

Latest Revision Date

CS	03/17/05
A001	03/16/05
A002	03/16/05
A100	03/17/05
A101	03/17/05
A102	03/17/05
A103	03/17/05
A104	03/17/05
A105	03/17/05
A106	03/17/05
A107	03/17/05
A200	03/17/05
A201	03/17/05
A202	03/17/05
A203	03/17/05
A204	03/17/05
A300	03/16/05
A301	03/16/05
A302	03/16/05
A303	03/16/05
A400	03/17/05
A500	03/17/05
A501	03/17/05
A502	03/17/05
A503	03/16/05
A600	03/16/05
A601	03/16/05

EXHIBIT B

THE CAPTAIN'S GALLEY

Contract Documents

Contract Exhibit B

Drawings Prepared By Iott Architecture Engineering as follows:

Drawing No:

Latest Revision Date

A602

03/16/05

A604

03/16/05

A605

03/16/05

A800

03/16/05

A801

03/16/05

Exhibit C

Project: THE CAPTAIN'S GALLEY
Company: Southern Builders Inc.

ID	Task Name	Duration	Start	Finish	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
1	PERMITS	30 days	Mon 4/1/05	Fri 5/20/05	Mar	Apr	May	Jun	Jul
2	SEC	3 days	Mon 6/2/05	Wed 6/4/05	Jun	Jul	Aug	Sep	Oct
3	PILING	14 days	Thu 6/3/05	Tue 6/24/05	Jul	Aug	Sep	Oct	Nov
4	PILE CAPS	21 days	Wed 6/16/05	Wed 6/16/05	Aug	Sep	Oct	Nov	Dec
5	COLUMNS TO 1ST	5 days	Thu 6/16/05	Wed 6/22/05	Sep	Oct	Nov	Dec	Jan
6	1ST LEVEL PT	14 days	Thu 6/23/05	Tue 7/12/05	Oct	Nov	Dec	Jan	Feb
7	2ND LEVEL PT	14 days	Wed 7/13/05	Mon 8/1/05	Nov	Dec	Jan	Feb	Mar
8	3RD LEVEL PT	14 days	Tue 8/2/05	Fri 8/19/05	Dec	Jan	Feb	Mar	Apr
9	4TH LEVEL PT	14 days	Mon 8/22/05	Thu 9/8/05	Jan	Feb	Mar	Apr	May
10	5TH LEVEL PT	24 days	Fri 8/26/05	Wed 10/12/05	Feb	Mar	Apr	May	Jun
11	6TH LEVEL PT	14 days	Thu 10/13/05	Tue 11/1/05	Mar	Apr	May	Jun	Jul
12	ROOF PT	12 days	Wed 11/2/05	Thu 11/17/05	Apr	May	Jun	Jul	Aug
13	GROUND SLABS	5 days	Fri 9/9/05	Thu 9/16/05	Oct	Nov	Dec	Jan	Feb
14	FRAME/HEAT 1ST	10 days	Mon 8/22/05	Fri 8/26/05	Nov	Dec	Jan	Feb	Mar
15	FRAME/HEAT 2ND	10 days	Mon 9/5/05	Fri 9/9/05	Dec	Jan	Feb	Mar	Apr
16	FRAME/HEAT 3RD	10 days	Mon 9/19/05	Fri 9/30/05	Jan	Feb	Mar	Apr	May
17	FRAME/HEAT 4TH	10 days	Mon 10/3/05	Fri 10/14/05	Feb	Mar	Apr	May	Jun
18	FRAME/HEAT 5TH	10 days	Mon 10/17/05	Fri 10/28/05	Mar	Apr	May	Jun	Jul
19	FRAME/HEAT 6TH	5 days	Mon 10/31/05	Fri 11/4/05	Apr	May	Jun	Jul	Aug
20	ROOF FRAMING	7 days	Fri 11/18/05	Mon 11/28/05	May	Jun	Jul	Aug	Sep
21	ROOF TRUSSES	7 days	Tue 11/29/05	Wed 12/7/05	Jun	Jul	Aug	Sep	Oct
22	BUILT UP ROOF	10 days	Tue 11/29/05	Mon 12/12/05	Jul	Aug	Sep	Oct	Nov
23	METAL ROOF	21 days	Tue 12/6/05	Tue 1/2/06	Aug	Sep	Oct	Nov	Dec
24	FRAME/HEAT GROUND	3 days	Thu 12/8/05	Mon 12/12/05	Sep	Oct	Nov	Dec	Jan
25	WINDOWS/DOORS 1ST	5 days	Mon 9/5/05	Fri 9/9/05	Oct	Nov	Dec	Jan	Feb
26	WINDOWS/DOORS 2ND	5 days	Mon 9/19/05	Fri 9/23/05	Nov	Dec	Jan	Feb	Mar
27	WINDOWS/DOORS 3RD	5 days	Mon 10/3/05	Fri 10/7/05	Dec	Jan	Feb	Mar	Apr
28	WINDOWS/DOORS 4TH	5 days	Mon 10/17/05	Fri 10/21/05	Jan	Feb	Mar	Apr	May
29	WINDOWS/DOORS 5TH	5 days	Mon 10/31/05	Fri 11/4/05	Feb	Mar	Apr	May	Jun

Task

Split

Progress

Milestone

Summary

Rolled Up Task

Rolled Up Split

Rolled Up Milestone

Rolled Up Progress

External Tasks

Project Summary

External Milestone

Deadline

Exhibit C

ID	Task Name	Duration	Start	Finish	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
30	WINDOWS/DOORS 6TH	5 days	Mon 11/7/05	Fri 11/11/05					
31	ELEVATORS	46 days	Tue 1/24/06	Mon 3/27/06					
32	PERM POWER	30 days	Tue 12/13/05	Mon 1/23/06					
33	UNDERGROUND UTILITIES	5 days	Tue 12/13/05	Mon 12/19/05					
34	ROUGHIN 1ST	12 days	Mon 8/8/05	Tue 9/20/05					
35	ROUGHIN 2ND	12 days	Mon 8/8/05	Tue 9/20/05					
36	ROUGHIN 3RD	12 days	Mon 10/3/05	Tue 10/4/05					
37	ROUGHIN 4TH	12 days	Mon 10/17/05	Tue 11/1/05					
38	ROUGHIN 5TH	10 days	Mon 10/31/05	Fri 11/11/05					
39	ROUGHIN 6TH	10 days	Mon 11/7/05	Mon 12/19/05					
40	ROUGHIN GROUND LEVEL	5 days	Tue 12/13/05	Mon 12/19/05					
41	POOL	30 days	Mon 4/3/06	Fri 5/12/06					
42	INSULATE 1ST/2ND	7 days	Wed 10/5/05	Thu 10/13/05					
43	INSULATE 3RD/4TH	7 days	Wed 11/2/05	Thu 11/10/05					
44	INSULATE 5TH/6TH	7 days	Mon 11/21/05	Tue 11/29/05					
45	SIDING	46 days	Tue 11/1/06	Mon 1/2/06					
46	HANDRAILS	30 days	Tue 12/13/05	Mon 2/13/06					
47	DRYWALL 1ST	10 days	Tue 12/13/05	Mon 12/26/05					
48	DRYWALL 2ND	10 days	Fri 12/23/05	Thu 1/5/06					
49	DRYWALL 3RD	10 days	Wed 1/4/06	Tue 1/17/06					
50	DRYWALL 4TH	10 days	Mon 1/16/06	Fri 1/27/06					
51	DRYWALL 5TH	10 days	Thu 1/26/06	Wed 2/8/06					
52	DRYWALL 6TH	10 days	Tue 2/7/06	Mon 2/20/06					
53	CEILINGS GROUND	5 days	Tue 12/20/05	Mon 12/26/05					
54	CEILINGS 6TH	3 days	Tue 3/7/06	Mon 3/13/06					
55	TRIM 1ST	8 days	Tue 12/27/05	Thu 1/5/06					
56	TRIM 2ND	8 days	Fri 1/6/06	Tue 1/17/06					
57	TRIM 3RD	8 days	Wed 1/18/06	Fri 1/27/06					

Project: THE CAPTAIN'S GALLEY
Company: Southern Builders Inc.

Task
Split
Progress
Milestone
Summary

Roll Up Task
Roll Up Split
Roll Up Milestone
Roll Up Progress
External Tasks

Project Summary
External Milestone
Deadline

Exhibit C

Project THE CAPTAIN'S GALLEY
Company Southern Builders Inc.

ID	Task Name	Duration	Start	Finish	Mar	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
59	TRIM 4TH	8 days	Mon 1/30/06	Wed 2/6/06						
60	TRIM 5TH	8 days	Tue 2/9/06	Mon 2/20/06						
61	TRIM 6TH	8 days	Tue 2/21/06	Thu 3/2/06						
62	PRIME 1ST	2 days	Fri 1/6/06	Mon 1/9/06						
63	PRIME 2ND	2 days	Wed 1/18/06	Thu 1/19/06						
64	PRIME 3RD	2 days	Mon 1/30/06	Tue 1/31/06						
65	PRIME 4TH	2 days	Thu 2/9/06	Fri 2/10/06						
66	PRIME 5TH	2 days	Tue 2/21/06	Wed 2/22/06						
67	PRIME 6TH	2 days	Fri 3/3/06	Mon 3/6/06						
68	PRIME GROUND	1 day	Tue 12/27/05	Tue 12/27/05						
69	FINISH PAINT 1ST	8 days	Tue 1/10/06	Fri 1/20/06						
70	FINISH PAINT 2ND	9 days	Wed 2/1/06	Mon 2/13/06						
71	FINISH PAINT 3RD	9 days	Thu 2/23/06	Tue 3/7/06						
72	FINISH PAINT 4TH	9 days	Wed 12/29/05	Thu 1/27/06						
73	FINISH PAINT 5TH	9 days	Mon 2/13/06	Mon 2/20/06						
74	FINISH PAINT 6TH	9 days	Tue 2/21/06	Tue 3/7/06						
75	FINISH PAINT GROUND	2 days	Wed 12/28/05	Thu 12/29/05						
76	CERAMIC 1ST	7 days	Thu 1/19/06	Fri 1/27/06						
77	CERAMIC 2ND	7 days	Tue 1/31/06	Wed 2/8/06						
78	CERAMIC 3RD	7 days	Fri 2/10/06	Mon 2/20/06						
79	CERAMIC 4TH	7 days	Wed 2/22/06	Thu 3/2/06						
80	CERAMIC 5TH	7 days	Mon 3/6/06	Tue 3/14/06						
81	CERAMIC 6TH	3 days	Thu 3/16/06	Mon 3/20/06						
82	CABINETS 1ST	7 days	Mon 1/30/06	Tue 2/7/06						
83	CABINETS 2ND	7 days	Thu 2/9/06	Fri 2/17/06						
84	CABINETS 3RD	7 days	Tue 2/21/06	Wed 3/1/06						
85	CABINETS 4TH	7 days	Fri 3/3/06	Mon 3/13/06						
86	CABINETS 5TH	6 days	Wed 3/15/06	Tue 3/21/06						
87	WATER HEATERS 1ST/2ND	6 days	Tue 2/7/06	Mon 2/13/06						

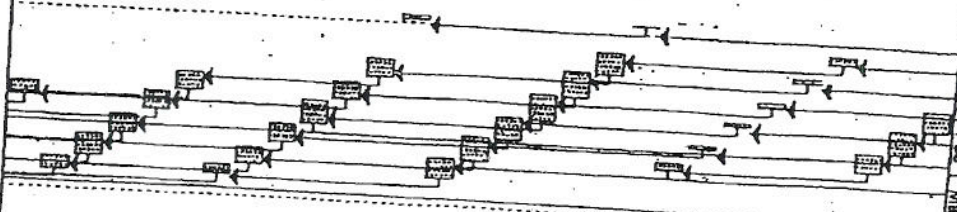


Exhibit C

ID	Task Name	Duration	Start	Finish	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
88	AIR HANDLERS 1ST/2ND	5 days	Tue 2/27/06	Mon 2/27/06	Mar	Apr	May	Jun	Jul
89	WATER HEATER 3RD/4TH	5 days	Wed 3/1/06	Tue 3/7/06	Aug	Sep	Oct	Nov	Dec
90	AIR HANDLERS 3RD/4TH	5 days	Wed 3/1/06	Tue 3/7/06	Jan	Feb	Mar	Apr	May
91	WATER HEATER 5TH/6TH	5 days	Fri 3/17/06	Thu 3/23/06	Jun	Jul	Aug	Sep	Oct
92	AIR HANDLERS 5TH/6TH	5 days	Fri 3/17/06	Thu 3/23/06	Nov	Dec	Jan	Feb	Mar
93	APPLIANCES 1ST	2 days	Wed 2/8/06	Thu 2/9/06	Apr	May	Jun	Jul	Aug
94	APPLIANCES 2ND/3RD	6 days	Thu 3/2/06	Wed 3/8/06	Sep	Oct	Nov	Dec	Jan
95	APPLIANCES 4TH/5TH	5 days	Wed 3/22/06	Tue 3/28/06	Feb	Mar	Apr	May	Jun
96	MEP TRIM 1ST	5 days	Mon 2/6/06	Fri 2/10/06	Jul	Aug	Sep	Oct	Nov
97	MEP TRIM 2ND	5 days	Thu 2/16/06	Wed 2/22/06	Dec	Jan	Feb	Mar	Apr
98	MEP TRIM 3RD	5 days	Tue 2/28/06	Mon 3/6/06	May	Jun	Jul	Aug	Sep
99	MEP TRIM 4TH	5 days	Fri 3/10/06	Thu 3/16/06	Oct	Nov	Dec	Jan	Feb
100	MEP TRIM 5TH	5 days	Mon 3/20/06	Fri 3/24/06	Apr	May	Jun	Jul	Aug
101	MEP TRIM 6TH	5 days	Wed 3/22/06	Tue 3/28/06	Sep	Oct	Nov	Dec	Jan
102	CARPET 1ST	5 days	Wed 2/8/06	Tue 2/14/06	Jul	Aug	Sep	Oct	Nov
103	CARPET 2ND	5 days	Mon 2/20/06	Fri 2/24/06	Apr	May	Jun	Jul	Aug
104	CARPET 3RD	5 days	Thu 3/2/06	Wed 3/8/06	Sep	Oct	Nov	Dec	Jan
105	CARPET 4TH	5 days	Tue 3/14/06	Mon 3/20/06	May	Jun	Jul	Aug	Sep
106	CARPET 5TH	5 days	Wed 3/22/06	Tue 3/28/06	Oct	Nov	Dec	Jan	Feb
107	CARPET 6TH	3 days	Tue 2/14/06	Thu 2/16/06	Jul	Aug	Sep	Oct	Nov
108	SOFFIT ROUGHING	5 days	Mon 1/22/06	Fri 1/26/06	Apr	May	Jun	Jul	Aug
109	SOFFIT FRAMING	5 days	Mon 1/22/06	Fri 1/26/06	Apr	May	Jun	Jul	Aug
110	ROUGH GRADING	3 days	Tue 2/14/06	Thu 2/16/06	Jul	Aug	Sep	Oct	Nov
111	STONE BASE	3 days	Fri 2/17/06	Tue 2/21/06	Aug	Sep	Oct	Nov	Dec
112	SITE CONCRETE	5 days	Wed 2/22/06	Tue 2/28/06	Oct	Nov	Dec	Jan	Feb
113	PAVING	3 days	Wed 3/1/06	Fri 3/3/06	Jan	Feb	Mar	Apr	May
114	SOFFIT	5 days	Mon 3/6/06	Fri 3/10/06	Jul	Aug	Sep	Oct	Nov
115	LANDSCAPE	3 days	Mon 3/6/06	Wed 3/8/06	Jul	Aug	Sep	Oct	Nov
116	CO INSPECTIONS	4 days	Wed 3/29/06	Mon 4/3/06	Nov	Dec	Jan	Feb	Mar

Task

Split

Progress

Milestone

Summary

Roll Up Task

Roll Up Split

Roll Up Progress

Roll Up Milestone

Roll Up Summary

Project Summary

External Milestone

Deadline

External Task

EXHIBIT "D"

STRUCTURAL ENGINEERING REVIEW

Norberto G. Lacson, S.E., working under Harkins Concrete Construction's Design-Build Subcontract Agreement with Southern Builders, Inc., will be the engineer of record for the post-tensioned concrete frame system and supporting column foundations. Mr. Lacson is registered in the State of Maryland as a structural engineer.

In accordance with all applicable building codes and as per the guidelines as set forth by the American Concrete Institute (ACI) and the Concrete Reinforcing Steel Institute (CRSI), Harkins Concrete and Norberto Lacson will design and provide any and all foundations and post-tensioned concrete frame requirements and specifications, including, but not limited to, concrete frame column sizes, post-tensioned deck thicknesses, force of concrete, reinforcing steel and post-tensioning requirements and column pile cap sizes, thicknesses and reinforcing requirements.

Harkins Concrete and Norberto Lacson will address owner requested review comments, questions and claims, if presented. Upon submission of stamped structural drawings, owner requested review correspondence will be accepted lump sum on time, within 10 calendar days thereafter. Owner requested review comments will be submitted through Harkins Concrete Construction and/or Southern Builders and may consist of questions compiled from the architect, the Owner, or other qualified entities which the Owner sees fit to employ in the execution of this project. Responding to such questions received within the above timeframe is not deemed to be an additional service of this contract.

If it is determined that the structural design is not in accordance with the International Building Code, and State of Maryland or local regulations, or ACI or CRSI, corrections and/or supplementations to both the design and construction will be made free of charge to the owner including Lacson engineering time incurred.

If by chance a difference of opinion arises between Mr. Lacson and any of the Owner's employed entities, a mutually agreed upon structural engineer with extensive post-tensioned concrete design experience shall be consulted for a third opinion.

05/15/03

PROJECT MANUAL

The Captain's Galley

Crisfield, Maryland

March 31, 2005

Architect: Iott Architecture and Engineering, Inc.
310 Hammond Street, Suite 100
Salisbury, Maryland 21804
Phone: (410) 749-7229
Fax: (410) 749-0001

Developer: Shaw Development, LLC
615 Twinbrook Lane
Joppa, MD 21085

Iott File Number: 04-051

EXHIBIT B

SECTION 01100 - SUMMARY

PART 1 - GENERAL

1.1 SUMMARY

- A. This Section includes the following:
 - 1. Work covered by the Contract Documents.
 - 2. Work phases.
 - 3. Use of premises.
 - 4. Owner's occupancy requirements.
 - 5. Specification formats and conventions.
- B. See Division 1 Section "Summary of Multiple Contracts" for division of responsibilities for the Work.
- C. See Division 1 Section "Temporary Facilities and Controls" for protection of Owner-occupied portions of the Work.

1.2 WORK COVERED BY CONTRACT DOCUMENTS

- A. Project Identification: The Captain's Galley, Iott Project Number 04-051.
 - 1. Project Location: Crisfield, Maryland.
- B. Owner/Developer: Shaw Development, LLC, 615 Twinbrook Lane, Joppa, Maryland 21085.
- C. Architect: Iott Architecture and Engineering, Inc., 310 Hammond Street, Suite 100, Salisbury, Maryland 21804.
- D. The Work consists of the following:
 - 1. The Work includes site work for and construction of a 23-unit condominium complex with a full-service restaurant on the top floor. Also on the top floor will be a fitness center and swimming pool for the use of the residents. Building will primarily be a precast concrete structure with metal stud exterior walls, and a standing-seam metal roof.
 - 2. Project is designed to comply with a Silver Certification Level according to the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) Rating System, as specified in Division 1 Section "LEED Requirements."
- E. Project will be constructed under a single prime contract.

Exhibit A

Scope of Work: The Captain's Galley Condominiums

General Conditions:

- o Site supervision, temporary facilities, office trailer, temporary electric, water, dumpsters, and temporary fencing
- o Job site clean up
- o Liability insurance, workers compensation insurance and builders risk
- o Payment and performance bond
- o Concrete testing by an independent firm
- o Building permit including cost
- o Site surveying

Site work:

- o Site demolition limited to existing paving, curbing and sidewalks
- o Perimeter silt fence and stabilized construction entrance
- o Importation and placement of fill material not to exceed 2000 yards
- o Site grading and back fill
- o Compaction testing by an independent testing firm
- o Piling foundation, pre-cast concrete piling
- o Site concrete- sidewalks, dumpster pads, recycling pad, curbing, transformer pad
- o Bituminous paving, paving section under building; 4" of compacted aggregate base, 2" of surface course asphalt
- o Parking bumpers and pavement markings
- o Landscaping and drip irrigation, included as an allowance not to exceed \$8,000.00
- o Installation and connection of the sewer, domestic water, and fire service, connection to City services
- o Under ground conduits (from property line to building) for phone, electric, and cable TV for service by others
- o 1" drainable water line fed from the building extended to the bulkhead
- o Phone and cable run to the bulkhead

Concrete:

- o Post-tensioned concrete structure, pile caps, cast in place columns included design, and independent testing
- o Cast in place concrete stair towers, elevator shafts (including sump pits) and pool box
- o Pre-cast concrete stairs with aluminum nosings
- o Slab-on grade at stair towers and utility rooms

Exhibit A

The Captain's Galley Condos
Southern Builders Inc.

4

Special Construction:

- o Gunite swimming pool as depicted on the drawings with waterfall into lower pool and a 12' diameter baby pool, 8" deep with 18" seat
- o Pool accessories required by code, pool area to include foot wash, shower and drinking fountain

Conveying Systems:

- o Hydraulic elevators, 3500-pound passenger elevators, 125 FPM, plastic laminate wall panels, mirrored ceilings, standard finishes, tile floors, elevators based on Delaware Elevator specifications.

Mechanical:

- o Fire sprinkler system designed and installed per Code
- o Plumbing; plumbing is included in accordance with the pumping code
- o Waste and roof drains risers included as cast iron
- o Sanitary for restaurant to grease interceptor (separate stack from condos)
- o Plumbing fixtures: chrome Moen Villeia or equal (kitchen faucets Moen Chateau)
- o Toilets; elongated bone white, American Standard or equal
- o Domestic water booster pump
- o Water lines CPVC
- o Gas piping to water heaters, furnace, pool heater and restaurant, (restaurant gas is not included with welded pipe, welded pipe is not a code requirement)
- o Gas piping to individual gas meters, meters are by others
- o Water heaters 50 gallon gas
- o Sanitary lines and vent piping is included as PVC
- o Roof drains
- o Floor drains, in utility rooms, open vestibules, pool equip, public bathrooms
- o Oil detection sump pumps in elevator pits
- o HVAC; condos 90+ gas furnaces with humidifier, condenser unit, and thermostat (digital non programmable thermostat) 12 SEER equipment
- o 20 tons of HVAC for restaurant
- o Metal duct work insulated trunk lines
- o Insulated refrigerate piping
- o Flex duct for dryer and bath exhaust, vent on each floor

Electrical:

- o Main electric service and distribution equipment
- o Service conduits to transformer location, transformer and wire by others
- o Sub feeder from meter, 150 amp service to each condo
- o Electrical wiring to all condominium units and the restaurant

Exhibit A

The Captain's Galley Condos
Southern Builders Inc.

5

- o Receptacles, outlets, GFCI's, wiring for all HVAC equipment, appliances
- o Telephone and cable TV outlets Cat 5E cable, 4 outlets in the 3-bedroom units and 5 outlets in the 4 bedroom units
- o Fire alarm system, emergency/ exit lighting
- o Electric base board heaters in the sprinkler room, elevator machine room, pool equipment room, ground level and roof top elevator lobbies
- o Common area lighting, garage lighting, utility room lighting, restaurant lighting
- o Condo lighting:
 - o Dining room; 3 head track, light/fan combo in bathrooms, recessed lighting at showers and vanities, 2 recessed lights at whirlpool tub, 1 recessed light at unit entrances, 4 recessed lights in kitchens, 2 recessed lights at kit. bar, 1 ea surfaced mounted light in laundry rooms and walk in closets, ceiling fans in the living room and bedrooms, 2 wall mounted lights at each balcony, surfaced and wall mounted lighting in corridors and common areas, garage light per code match existing building, wall mounted site lights 500 watts
- o Conduits for cable, phone and power to bulkhead, *FEEDER CABLE INCLUDED*
- o Bonding of pool and pool deck

Clarification:

We acknowledge the contract duration of 336 calendar days, however the attached construction is preliminary and subject to change I.E critical path, sequence, and duration of individual tasks.

Exclusions:

- o Demolition of existing structures
- o Pre-cast concrete walls
- o Gas tanks, gas meters and related costs
- o Half columns on balconies (shown on the building elevation drawings)
- o Roof pavers
- o Cabinetry in the laundry rooms, (wire shelving is included)
- o TV cabinets, (a TV shelf is included)
- o Emergency generator
- o Impact fees, mitigation fees, Tap fees, etc.
- ~~o Work to existing building~~ *SOFFIT, EXTERIOR JOINT, ROOF TILE IN*
- ~~o Painting the exterior of the building~~
- o Fit out, equipment, exhaust hood, finishes, interior walls, doors, casework, bar, etc. in the commercial space with the exception of the exterior walls, restrooms, carpet and kitchen tile and acoustical ceiling, lighting and HVAC
- o HVAC for the storage rooms
- o Building and ground signage
- o Curtains, blinds, fixtures/furniture/equipment
- o Removal/disposal of hazardous material
- o Electric, Telephone, CATV & Gas Service and associated costs
- o Relocation of utilities and related costs

Exhibit A

The Captain's Galley Condos
Southern Builders Inc.

6

Exclusions Continued:

- o Re-paving of adjacent roads
- o Under ground obstructions
- o Off site work of any type
- o Bulkheads, retaining walls, piers, marine work, etc
- o Utility Company costs
- o Architectural, Civil, Mechanical, and Electrical design, drawings and related costs
- o Structural Engineering, design, drawings and related costs with the exception of the piling foundation and structural concrete
- o Geotechnical Engineering, subsurface investigation and analysis and related costs
- o Trash compactor permanent dumpsters
- o Warranty beyond 12 Months from the date of Certificate of Occupancy
- o Performance bonus, liquidated damages or actual Damages
- o Southern Builders reserves the right to close out the contract within 90 days after the issuance of the certificate of occupancy.

EXHIBIT B

THE CAPTAIN'S GALLEY

Contract Documents

Contract Exhibit B

Drawings Prepared By Iott Architecture Engineering as follows:

Drawing No:

Latest Revision Date

CS	03/17/05
A001	03/16/05
A002	03/16/05
A100	03/17/05
A101	03/17/05
A102	03/17/05
A103	03/17/05
A104	03/17/05
A105	03/17/05
A106	03/17/05
A107	03/17/05
A200	03/17/05
A201	03/17/05
A202	03/17/05
A203	03/17/05
A204	03/17/05
A300	03/16/05
A301	03/16/05
A302	03/16/05
A303	03/16/05
A400	03/17/05
A500	03/17/05
A501	03/17/05
A502	03/17/05
A503	03/16/05
A600	03/16/05
A601	03/16/05

EXHIBIT B

THE CAPTAIN'S GALLEY

Contract Documents

Contract Exhibit B

Drawings Prepared By Iott Architecture Engineering as follows:

Drawing No:

Latest Revision Date

A602

03/16/05

A604

03/16/05

A605

03/16/05

A800

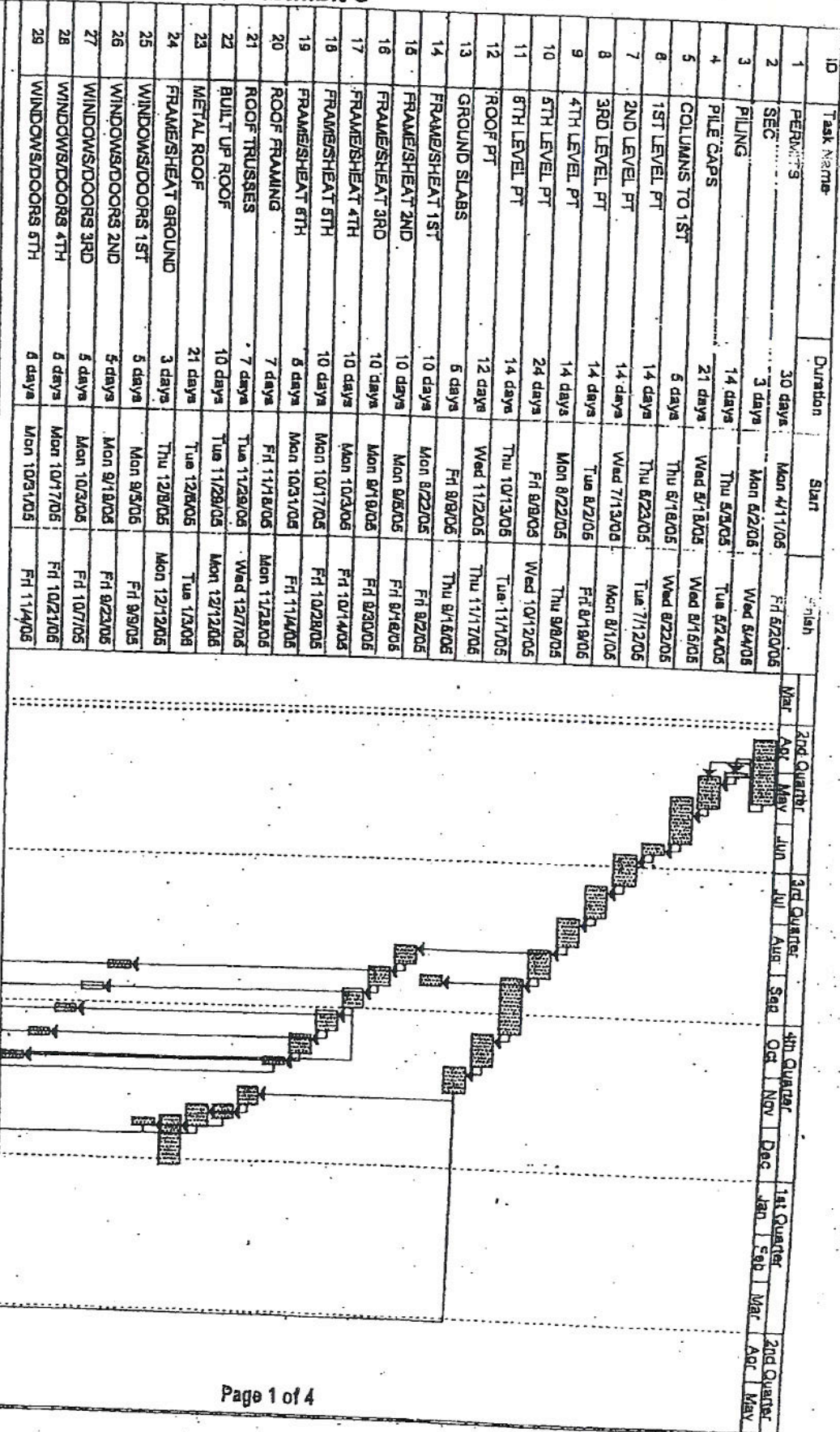
03/16/05

A801

03/16/05

Exhibit C

Project: THE CAPTAIN'S GALLEY
Company: Southern Builders Inc.



Task

Split

Progress

Milestone

Summary

Rolled Up Task

Rolled Up Split

Rolled Up Milestone

Rolled Up Progress

External Tasks

Project Summary

External Milestones

Deadline

Exhibit C

ID	Task Name	Duration	Start	Finish	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
30	WINDOWS/DOORS 6TH	5 days	Mon 11/17/05	Fri 11/11/06															
31	ELEVATORS	45 days	Tue 12/4/06	Mon 3/27/08															
32	PERM POWER	30 days	Tue 12/13/06	Mon 1/23/08															
33	UNDERGROUND UTILITIES	5 days	Tue 12/13/06	Mon 1/23/08															
34	ROUGHIN 1ST	12 days	Mon 9/8/05	Tue 9/20/06															
35	ROUGHIN 2ND	12 days	Mon 8/18/05	Tue 10/4/06															
36	ROUGHIN 3RD	12 days	Mon 10/3/05	Tue 10/18/06															
37	ROUGHIN 4TH	12 days	Mon 10/17/05	Tue 11/1/06															
38	ROUGHIN 5TH	10 days	Mon 10/31/05	Fri 11/11/06															
39	ROUGHIN 6TH	10 days	Mon 11/17/05	Fri 11/18/06															
40	ROUGHIN GROUND LEVEL	5 days	Tue 12/13/06	Mon 12/18/06															
41	POOL	30 days	Mon 4/2/06	Fri 5/12/06															
42	INSULATE 1ST/2ND	7 days	Wed 10/6/05	Thu 10/13/06															
43	INSULATE 3RD/4TH	7 days	Wed 11/2/05	Thu 11/10/06															
44	INSULATE 5TH/6TH	7 days	Mon 11/21/05	Tue 11/28/06															
45	SIDING	45 days	Tue 11/1/06	Mon 1/22/08															
46	HANDRAILS	30 days	Tue 12/5/06	Mon 2/13/08															
47	DRYWALL 1ST	10 days	Tue 12/13/06	Mon 12/28/06															
48	DRYWALL 2ND	10 days	Fri 12/23/06	Thu 1/5/08															
49	DRYWALL 3RD	10 days	Wed 1/4/08	Tue 1/17/08															
50	DRYWALL 4TH	10 days	Mon 1/14/08	Fri 1/27/08															
51	DRYWALL 5TH	10 days	Thu 1/24/08	Wed 2/8/08															
52	DRYWALL 6TH	10 days	Tue 2/7/08	Mon 2/20/08															
53	DRYWALL GROUND	5 days	Tue 12/20/06	Mon 12/28/06															
54	CEILINGS 6TH	5 days	Tue 3/7/08	Mon 3/13/08															
55	CEILINGS GROUND	3 days	Wed 3/22/08	Fri 3/24/08															
56	TRIM 1ST	8 days	Tue 12/27/05	Thu 1/8/06															
57	TRIM 2ND	8 days	Fri 1/8/06	Tue 1/17/06															
58	TRIM 3RD	8 days	Wed 1/18/06	Fri 1/27/08															

Project: THE CAPTAINS GALLEY
Company: Southern Builders Inc.

Task

Split

Progress

Milestone

Summary

Roll Up Task

Roll Up Split

Roll Up Milestone

Roll Up Progress

External Task

Project Summary

External Milestone

Deadline

Exhibit C

Project: THE CAPTAIN'S GALLEY
Company: Southern Builders Inc.

ID	Task Name	Duration	Start	Finish	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
59	TRIM 4TH	8 days	Mon 1/30/06	Wed 2/8/06	Mar	Apr	May	Jun	Jul
60	TRIM 5TH	8 days	Thu 2/9/06	Mon 2/20/06	Jul	Aug	Sep	Oct	Nov
61	TRIM 6TH	8 days	Tue 2/21/06	Thu 3/2/06	Dec	Jan	Feb	Mar	Apr
62	PRIME 1ST	2 days	Fri 1/6/06	Mon 1/9/06	May	Jun	Jul	Aug	Sep
63	PRIME 2ND	2 days	Wed 1/18/06	Thu 1/19/06	Oct	Nov	Dec	Jan	Feb
64	PRIME 3RD	2 days	Mon 1/30/06	Tue 1/31/06	Mar	Apr	May	Jun	Jul
65	PRIME 4TH	2 days	Thu 2/9/06	Fri 2/10/06	Aug	Sep	Oct	Nov	Dec
66	PRIME 5TH	2 days	Tue 2/21/06	Wed 2/22/06	May	Jun	Jul	Aug	Sep
67	PRIME 6TH	2 days	Fri 3/3/06	Mon 3/6/06	Oct	Nov	Dec	Jan	Feb
68	PRIME GROUND	1 day	Tue 12/27/05	Tue 12/27/05	Dec	Jan	Feb	Mar	Apr
69	FINISH PAINT 1ST	8 days	Tue 1/10/06	Fri 1/20/06	Mar	Apr	May	Jun	Jul
70	FINISH PAINT 2ND	9 days	Fri 1/20/06	Wed 2/1/06	Jul	Aug	Sep	Oct	Nov
71	FINISH PAINT 3RD	9 days	Wed 2/1/06	Mon 2/13/06	Nov	Dec	Jan	Feb	Mar
72	FINISH PAINT 4TH	9 days	Mon 2/13/06	Thu 2/23/06	Mar	Apr	May	Jun	Jul
73	FINISH PAINT 5TH	9 days	Thu 2/23/06	Tue 3/7/06	Jul	Aug	Sep	Oct	Nov
74	FINISH PAINT 6TH	9 days	Tue 3/7/06	Fri 3/17/06	Oct	Nov	Dec	Jan	Feb
75	FINISH PAINT GROUND	2 days	Wed 12/29/05	Thu 12/29/05	Dec	Jan	Feb	Mar	Apr
76	CERAMIC 1ST	7 days	Thu 1/19/06	Fri 1/27/06	Mar	Apr	May	Jun	Jul
77	CERAMIC 2ND	7 days	Tue 1/23/06	Wed 2/8/06	Jul	Aug	Sep	Oct	Nov
78	CERAMIC 3RD	7 days	Fri 2/10/06	Mon 2/20/06	Nov	Dec	Jan	Feb	Mar
79	CERAMIC 4TH	7 days	Wed 2/22/06	Thu 3/2/06	Mar	Apr	May	Jun	Jul
80	CERAMIC 5TH	7 days	Mon 3/6/06	Tue 3/14/06	Jul	Aug	Sep	Oct	Nov
81	CERAMIC 6TH	3 days	Thu 3/16/06	Mon 3/20/06	Nov	Dec	Jan	Feb	Mar
82	CABINETS 1ST	7 days	Mon 1/30/06	Tue 2/7/06	Mar	Apr	May	Jun	Jul
83	CABINETS 2ND	7 days	Thu 2/9/06	Fri 2/17/06	Jul	Aug	Sep	Oct	Nov
84	CABINETS 3RD	7 days	Tue 2/21/06	Wed 3/1/06	Nov	Dec	Jan	Feb	Mar
85	CABINETS 4TH	7 days	Fri 3/3/06	Mon 3/13/06	Mar	Apr	May	Jun	Jul
86	CABINETS 5TH	6 days	Wed 3/15/06	Tue 3/21/06	Jul	Aug	Sep	Oct	Nov
87	WATER HEATERS 1ST/2ND	6 days	Tue 2/7/06	Mon 2/13/06	Mar	Apr	May	Jun	Jul

Task

Split

Progress

Milestone

Summary



Project Summary

External Milestone

Deadline

External Tasks

Exhibit C

ID	Task Name	Duration	Start	Finish	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
88	AIR HANDLERS 1ST/2ND	5 days	Tue 2/7/06	Mon 2/13/06						
89	WATER HEATER 3RD/4TH	5 days	Wed 3/1/06	Tue 3/7/06						
90	AIR HANDLERS 3RD/4TH	5 days	Wed 3/1/06	Tue 3/7/06						
91	WATER HEATER 5TH/6TH	5 days	Fri 3/17/06	Thu 3/23/06						
92	AIR HANDLERS 5TH/6TH	5 days	Fri 3/17/06	Thu 3/23/06						
93	APPLANCES 1ST	2 days	Wed 2/8/06	Thu 2/9/06						
94	APPLANCES 2ND/3RD	5 days	Thu 3/2/06	Wed 3/8/06						
95	APPLANCES 4TH/5TH	5 days	Wed 3/22/06	Tue 3/28/06						
96	MEP TRIM 1ST	5 days	Mon 2/8/06	Fri 2/10/06						
97	MEP TRIM 2ND	5 days	Thu 2/16/06	Wed 2/22/06						
98	MEP TRIM 3RD	5 days	Tue 2/28/06	Mon 3/6/06						
99	MEP TRIM 4TH	5 days	Fri 3/10/06	Thu 3/16/06						
100	MEP TRIM 5TH	5 days	Mon 3/20/06	Fri 3/24/06						
101	MEP TRIM 6TH	5 days	Wed 3/22/06	Tue 3/28/06						
102	CARPET 1ST	5 days	Wed 2/8/06	Tue 2/14/06						
103	CARPET 2ND	5 days	Mon 2/20/06	Fri 2/24/06						
104	CARPET 3RD	5 days	Thu 3/2/06	Wed 3/8/06						
105	CARPET 4TH	5 days	Tue 3/14/06	Mon 3/20/06						
106	CARPET 5TH	5 days	Wed 3/22/06	Tue 3/28/06						
107	CARPET 6TH	3 days	Tue 2/14/06	Thu 2/16/06						
108	SOFFIT ROUGHING	5 days	Mon 1/12/06	Fri 1/12/06						
109	SOFFIT FRAMING	5 days	Mon 1/12/06	Fri 1/12/06						
110	ROUGH GRADING	3 days	Tue 2/14/06	Thu 2/16/06						
111	STONE BASE	3 days	Fri 2/17/06	Tue 2/21/06						
112	SITE CONCRETE	5 days	Wed 2/22/06	Tue 2/28/06						
113	PAVING	3 days	Wed 3/1/06	Fri 3/3/06						
114	SOFFIT	5 days	Mon 3/6/06	Fri 3/10/06						
115	LANDSCAPE	3 days	Mon 3/6/06	Wed 3/8/06						
116	CO INSPECTIONS	4 days	Wed 3/29/06	Mon 4/3/06						

Project: THE CAPTAINS GALLERY
Company: Southern Builders Inc.

Task
Split
Progress
Milestone
Summary



Project Summary
External Milestone
Deadline



EXHIBIT "D"

STRUCTURAL ENGINEERING REVIEW

Norberto G. Lacson, S.E., working under Harkins Concrete Construction's Design-Build Subcontract Agreement with Southern Builders, Inc., will be the engineer of record for the post-tensioned concrete frame system and supporting column foundations. Mr. Lacson is registered in the State of Maryland as a structural engineer.

In accordance with all applicable building codes and as per the guidelines as set forth by the American Concrete Institute (ACI) and the Concrete Reinforcing Steel Institute (CRSI), Harkins Concrete and Norberto Lacson will design and provide any and all foundations and post-tensioned concrete frame requirements and specifications, including, but not limited to, concrete frame column sizes, post-tensioned deck thicknesses, force of concrete, reinforcing steel and post-tensioning requirements and column pile cap sizes, thicknesses and reinforcing requirements.

Harkins Concrete and Norberto Lacson will address owner requested review comments, questions and claims, if presented. Upon submission of stamped structural drawings, owner requested review correspondence will be accepted lump sum on time, within 10 calendar days thereafter. Owner requested review comments will be submitted through Harkins Concrete Construction and/or Southern Builders and may consist of questions compiled from the architect, the Owner, or other qualified entities which the Owner sees fit to employ in the execution of this project. Responding to such questions received within the above timeframe is not deemed to be an additional service of this contract.

If it is determined that the structural design is not in accordance with the International Building Code, and State of Maryland or local regulations, or ACI or CRSI, corrections and/or supplementations to both the design and construction will be made free of charge to the owner including Lacson engineering time incurred.

If by chance a difference of opinion arises between Mr. Lacson and any of the Owner's employed entities, a mutually agreed upon structural engineer with extensive post-tensioned concrete design experience shall be consulted for a third opinion.

05/15/03

PROJECT MANUAL

The Captain's Galley

Crisfield, Maryland

March 31, 2005

Architect: Iott Architecture and Engineering, Inc.
310 Hammond Street, Suite 100
Salisbury, Maryland 21804
Phone: (410) 749-7229
Fax: (410) 749-0001

Developer: Shaw Development, LLC
615 Twinbrook Lane
Joppa, MD 21085

Iott File Number: 04-051

EXHIBIT D

1.6 PROJECT CONDITIONS

- A. Temporary Use of Permanent Facilities: Installer of each permanent service shall assume responsibility for operation, maintenance, and protection of each permanent service during its use as a construction facility before Owner's acceptance, regardless of previously assigned responsibilities.

PART 2 - PRODUCTS

2.1 MATERIALS

- A. Portable Chain-Link Fencing: Minimum 2-inch (50-mm), 9-gage, galvanized steel, chain-link fabric fencing; minimum 6 feet (1.8 m) high with galvanized steel pipe posts; minimum 2-3/8-inch- (60-mm-) OD line posts and 2-7/8-inch- (73-mm-) OD corner and pull posts, with 1-5/8-inch- (42-mm-) OD top and bottom rails. Provide concrete bases for supporting posts.

2.2 TEMPORARY FACILITIES

- A. Field Offices, General: Prefabricated or mobile units with serviceable finishes, temperature controls, and foundations adequate for normal loading.
- B. Storage and Fabrication Sheds: Provide sheds sized, furnished, and equipped to accommodate materials and equipment for construction operations.

2.3 EQUIPMENT

- A. Fire Extinguishers: Portable, UL rated; with class and extinguishing agent as required by locations and classes of fire exposures.
- B. HVAC Equipment: Unless Owner authorizes use of permanent HVAC system, provide vented, self-contained, liquid-propane-gas or fuel-oil heaters with individual space thermostatic control.
 - 1. Use of gasoline-burning space heaters, open-flame heaters, or salamander-type heating units is prohibited.
 - 2. Heating Units: Listed and labeled for type of fuel being consumed, by a testing agency acceptable to authorities having jurisdiction, and marked for intended use.
 - 3. Permanent HVAC System: If Owner authorizes use of permanent HVAC system for temporary use during construction, provide filter with MERV of 8 at each return air grille in system and remove at end of construction.

PROJECT MANUAL

The Captain's Galley

Crisfield, Maryland

March 31, 2005

Architect: Iott Architecture and Engineering, Inc.
310 Hammond Street, Suite 100
Salisbury, Maryland 21804
Phone: (410) 749-7229
Fax: (410) 749-0001

Developer: Shaw Development, LLC
615 Twinbrook Lane
Joppa, MD 21085

Iott File Number: 04-051

EXHIBIT E

- C. Tubing material for above items shall be Type 304 stainless steel, 1.9" O.D. x .109 wall thickness.
- D. Steps to ladder and platforms may be either molded plastic or stainless steel.

2.4 LIGHTS

- A. U.L. listed 500 watt fixtures are to be provided, fixtures are for clear lights.
- B. Locate transformers and junction boxes out of the path of traffic insofar as practical.
- C. Comply with national, local, and state electrical codes that have jurisdiction.

2.5 HEATER

- A. 405,000 BTU water heater to be provided, locate in Pool Mechanical Room.

PART 3 - EXECUTION

3.1 INSTALLATION, GENERAL

- A. Comply with manufacturer's written instructions for installation of products. Products are to be in an undamaged condition. Verify condition of substrates is acceptable prior to commencement of installation.

END OF SECTION 13152

PROJECT MANUAL

The Captain's Galley **Crisfield, Maryland**

March 31, 2005

Architect: Iott Architecture and Engineering, Inc.
310 Hammond Street, Suite 100
Salisbury, Maryland 21804
Phone: (410) 749-7229
Fax: (410) 749-0001

Developer: Shaw Development, LLC
615 Twinbrook Lane
Joppa, MD 21085

Iott File Number: 04-051

EXHIBIT F

PART 2 - PRODUCTS

2.1 MATERIALS

- A. **Cleaning Agents:** Use cleaning materials and agents recommended by manufacturer or fabricator of the surface to be cleaned. Do not use cleaning agents that are potentially hazardous to health or property or that might damage finished surfaces.

PART 3 - EXECUTION

3.1 FINAL CLEANING

- A. **General:** Provide final cleaning. Conduct cleaning and waste-removal operations to comply with local laws and ordinances and Federal and local environmental and antipollution regulations.
- B. **Cleaning:** Employ experienced workers or professional cleaners for final cleaning. Clean each surface or unit to condition expected in an average commercial building cleaning and maintenance program. Comply with Manufacturer's written instructions.
 - 1. Complete the following cleaning operations before requesting inspection for certification of Substantial Completion for entire Project or for a portion of Project:
 - a. Clean Project site, yard, and grounds, in areas disturbed by construction activities, including landscape development areas, of rubbish, waste material, litter, and other foreign substances.
 - b. Sweep paved areas broom clean. Remove petrochemical spills, stains, and other foreign deposits.
 - c. Clean exposed exterior and interior hard-surfaced finishes to a dirt-free condition, free of stains, films, and similar foreign substances. Avoid disturbing natural weathering of exterior surfaces. Restore reflective surfaces to their original condition.
 - d. Remove debris and surface dust from limited access spaces, including roofs, plenums, shafts, trenches, equipment vaults, manholes, attics, and similar spaces.
 - e. Sweep concrete floors broom clean in unoccupied spaces.
 - f. Vacuum carpet and similar soft surfaces, removing debris and excess nap; shampoo if visible soil or stains remain.
 - g. Clean transparent materials, including mirrors and glass in doors and windows. Remove glazing compounds and other noticeable, vision-obscuring materials. Replace chipped or broken glass and other damaged transparent materials. Polish mirrors and glass, taking care not to scratch surfaces.
 - h. Remove labels that are not permanent.
 - i. Touch up and otherwise repair and restore marred, exposed finishes and surfaces. Replace finishes and surfaces that cannot be satisfactorily repaired or restored or that already show evidence of repair or restoration.
 - 1) Do not paint over "UL" and similar labels, including mechanical and electrical nameplates.

PROJECT MANUAL

The Captain's Galley **Crisfield, Maryland**

March 31, 2005

Architect: Iott Architecture and Engineering, Inc.
310 Hammond Street, Suite 100
Salisbury, Maryland 21804
Phone: (410) 749-7229
Fax: (410) 749-0001

Developer: Shaw Development, LLC
615 Twinbrook Lane
Joppa, MD 21085

Iott File Number: 04-051

EXHIBIT G

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.1 EXAMINATION

- A. Examine products covered by an allowance promptly on delivery for damage or defects. Return damaged or defective products to manufacturer for replacement.

3.2 PREPARATION

- A. Coordinate materials and their installation for each allowance with related materials and installations to ensure that each allowance item is completely integrated and interfaced with related work.

3.3 SCHEDULE OF ALLOWANCES

- A. Allowance No. 1: Include \$8,000 allowance for landscaping as specified in Division 2, Section 02920 "Lawns and Grasses" and Section 02930 "Exterior Plants".
- B. Allowance No. 2: Include \$18 per square yard allowance to furnish and install carpet and pad in unit living/dining areas and bedrooms as specified in Division 9, Section 09680, "Carpet". No waste allowance will be accepted.
- C. Allowance No. 3: Include \$8 per square foot to furnish and install ceramic tile in the following areas as specified in Division 9, Section 09310, "Ceramic Tile".
 - 1. Floors of kitchens, bathrooms, hallway, utility, and storage rooms.
 - 2. Base in bathrooms and utility rooms.
 - 3. Whirlpool tubs – face, deck, and walls up to 4'-0" a.f.f.
 - 4. Walls of shower, allowance to include a marble threshold.
- D. Allowance No. 4: Include \$20,500 for light fixtures and lamps. If all required fixtures cannot be covered with allowance, note in Bid Form the additional money necessary.

END OF SECTION 01210

**IN THE CIRCUIT COURT FOR
SOMERSET COUNTY, MARYLAND**

SOUTHERN BUILDERS, INC.)	
)	
Plaintiff,)	
)	
v.)	
)	
SHAW DEVELOPMENT, LLC)	CASE NO.: 19-C-07-011405
)	
Defendant.)	
)	

**ANSWER OF SHAW DEVELOPMENT, LLC TO
VERIFIED PETITION TO ESTABLISH AND ENFORCE
MECHANIC'S LIEN OF SOUTHERN BUILDERS, INC.**

Shaw Development, LLC ("Shaw Development"), by its undersigned counsel, submits this Answer to Southern Builders, Inc.'s ("Plaintiff") Petition to Establish and Enforce Mechanic's Lien together with the Affidavit of James P. Krapf, Sr., a copy of which is attached hereto as Exhibit A, and states as follows:

DEFENSES

Plaintiff's Petition to Establish and Enforce Mechanic's Lien fails as a matter of law for the following reasons:

- Plaintiff failed to comply with the statutory requirements set forth in Md. Rule 12-302(b) and Md. Code Ann., Real Prop. 9-105(a)(1) and 9-105(a)(3).
- Southern Builders fabricated Application for Payment No. 17, misrepresenting that \$56,667.96 is due and unpaid under the Construction Contract, when most of the amount claimed is for work that has not even begun
- Southern Builders has received at least \$256,400.00 in compensation for incomplete and non-conforming work as well as work performed in contravention of the Contract Documents. Southern Builders' failure to

obtain the contractually required LEED Certification is costing Shaw Development a \$635,000.00 tax credit. In addition, delays caused by Southern Builders have resulted in late fees and interest to Royal Bank in excess of \$416,000.00.

ANSWER

1. Shaw Development does not possess sufficient information to admit or deny the allegations set forth in Paragraph No. 1 as there appears to be a typographical error either in the case caption or in paragraph no. 1 with respect to Plaintiff's address.
2. Shaw Development admits the allegations set forth in Paragraph No. 2.
3. Shaw Development denies that Petitioner has supplied all of the referenced labor and materials and/or supplied them in conformance with the applicable construction contract. Shaw Development admits the remaining allegation set forth in paragraph No. 3.
4. Shaw Development admits the allegations set forth in Paragraph No. 2.
5. Shaw Development denies the allegations set forth in Paragraph No. 5.
6. Shaw Development admits the allegations set forth in Paragraph No. 6.
7. Shaw Development denies the allegations set forth in Paragraph No. 7.
8. Shaw Development denies the allegations set forth in Paragraph No. 8.
9. Shaw Development admits the allegations set forth in Paragraph No. 9.
10. Paragraph No. 10 calls for a legal conclusion to which Shaw Development is not required to respond.
11. Paragraph No. 11 calls for a legal conclusion to which Shaw Development is not required to respond.

12. Paragraph No. 12 calls for a legal conclusion to which Shaw Development is not required to respond.

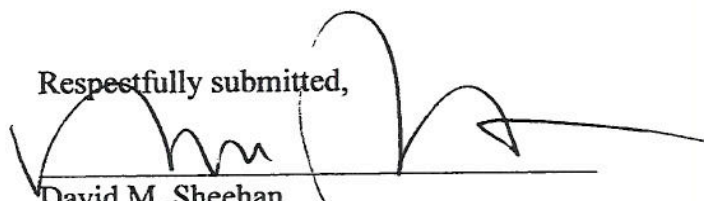
WHEREFORE, having fully answered the Petition and shown cause why the Mechanics' Lien prayed for therein should not be established against its property, Shaw Development requests:

A. That this Honorable Court pass a proper Order dismissing this case and requiring Plaintiff to pay all costs of this proceeding;

B. That, if an Interlocutory Order Establishing Mechanic's Lien is entered in this case, this Honorable Court require Plaintiff to file a bond in an amount which this Court believes is sufficient as security for Plaintiff's payment to Shaw Development of any and all damages, including reasonable attorney's fees, which Shaw Development may incur in the event that a Final Order Establishing Mechanic's Lien is not entered in this case; and

C. For such other and further relief as the nature of its cause may require.

Respectfully submitted,



David M. Sheehan
Michael E. Blumenfeld
Brown & Sheehan, LLP
1010 Hull Street, Suite 300
Baltimore, Maryland 21230
(410) 296-8500

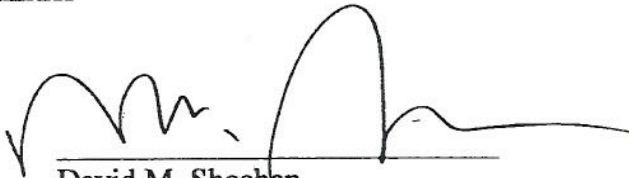
Attorneys for Respondents,
Shaw Development, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of February, 2007, a copy of Shaw Development, LLC's Answer was hand-delivered to:

J. Garrett Sheller, Esquire
Long & Badger, P.A.
124 East Main Street
P.O. Box 259
Salisbury, Maryland 21803-0259

Attorneys for Plaintiff



David M. Sheehan

**IN THE CIRCUIT COURT FOR
SOMERSET COUNTY, MARYLAND**

SOUTHERN BUILDERS, INC.)	
)	
Plaintiff,)	
)	
v.)	
)	
SHAW DEVELOPMENT, LLC)	CASE NO.: 19-C-07-011405
)	
Defendant.)	
)	
SHAW DEVELOPMENT, LLC)	
)	
Counter-Plaintiff,)	
)	
v.)	
)	
SOUTHERN BUILDERS, INC.)	
)	
Counter-Defendant.)	
)	

AFFIDAVIT OF JAMES P. KRAPP, SR.

I am a witness of lawful age having personal knowledge of the facts related herein.

I understand that this Affidavit is being prepared in connection with the above-styled lawsuit.

1. I am over eighteen (18) years of age, am competent to be a witness, and have personal knowledge of the facts set forth herein.

2. I am and at all times material hereto was the Owner's Representative in charge of the construction of the Captain's Galley Luxury Condominiums.

3. I am familiar with the terms and conditions of the Construction Contract.


The Contract consists of five (5) parts: (a) the Standard Form of Agreement;

EXHIBIT A

(b) the Supplemental and Other Conditions; (c) the Project Manual; (d) Drawings; and (e) four (4) attachments to the Standard Form Agreement. I am also familiar with the work furnished and materials supplied by Southern Builders, Inc. in the construction of The Captain's Galley Luxury Condominiums.

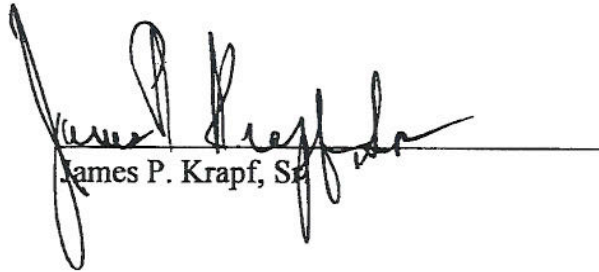
4. I have read and reviewed Southern Builders, Inc.'s ("Southern Builders") Petition to Establish and Enforce Mechanics' Lien (the "Petition") and its exhibits. Contrary to the allegations contained therein, Shaw Development, LLC has paid Southern Builders in full. In addition, Southern Builders fabricated Application for Payment No. 17, misrepresenting that \$56,667.96 is due and unpaid under the Construction Contract, when most of the amount claimed is for work that has not even begun.

5. Southern Builders has received at least \$256,400.00 in compensation for incomplete and non-conforming work as well as work performed in contravention of the Contract Documents. Southern Builders' failure to obtain the contractually required LEED Certification is costing Shaw Development a \$635,000.00 tax credit. In addition, delays caused by Southern Builders have resulted in late fees and interest to Royal Bank in excess of \$416,000.00.



6. I have read and reviewed Shaw Development, LLC's Answer to Southern Builders' Petition to Establish and Enforce Mechanics' Lien and the Counter-Claim, and state that the matters and facts set forth therein, which are adopted in this Affidavit by reference as if the same were fully set forth herein, are true and correct.

I HEREBY SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES
OF PERJURY AND UPON PERSONAL KNOWLEDGE THAT THE FOREGOING
STATEMENTS CONTAINED IN THIS AFFIDAVIT ARE TRUE AND CORRECT.



James P. Krapf, Sr.