

07 August 2013

Jeffery Epstein

re: Proposal for Interior Design Services
301 East 66th Street New York, NY

Dear Mr. Epstein,

I am pleased to have this opportunity to submit our scope and fee proposal to provide Interior Design services for the interior fit-out of 10 apartments in 301 East 66th Street in New York, NY. We look forward to working with you and the rest of your team to create comfortable, modern apartment spaces.

1.0 PROJECT UNDERSTANDING AND REQUIREMENTS

It is our understanding that we are to prepare a package of deliverables that describe and budget for the interior renovation and fit-out of 10 apartment spaces for both permanent and temporary residence. We understand that the scope of work includes, but is not limited to, new kitchens, bathrooms, flooring, wall and ceiling finishes; decorative lighting; fixtures and furniture; and artwork and accessories throughout (scope of each space can be found in attached detail pages).

We understand that the Architect of Record will verify visible as-built conditions as required to prepare dimensioned plans, and elevations in AutoCAD format that we will use as base drawings for our interior design scope.

A. CONCEPTUAL / SCHEMATIC DESIGN PHASE

1. Meet with each client (6 permanent / 4 temporary) for general orientation and familiarization with the project, to review the Project goals and objectives, and to review the program and operational requirements.
2. Meet with owners and team to define the vision and design for each permanent and guest apartment.
3. Prepare concept images to reflect the design direction for each client and/ or guest apartment.
4. Prepare a Schematic Design presentation including reference style/mood images to convey the design intent; floor and furniture plans.
5. Assist the Owner and General Contractor to develop a preliminary cost estimate based on the recommended design concept, proposed finish material and Furniture, Fixtures and Equipment (FF&E) selections.

B. DESIGN DEVELOPMENT PHASE

Based on approval of the Schematic Design, we will incorporate all comments from the Schematic Design review, and proceed with the Design Development phase of the project. This phase will include drawings and other materials necessary to detail the design intent. Our package of Design Development deliverables will include, but is not limited to:

1. Dimensioned floor/ furniture plans indicating the extent and type of each floor finish and the intended furniture layout.
2. Outline specifications for colors and finish materials.
3. Design Development presentation includes interior elevations, finish boards, material and lighting samples, and furnishings for approval of the design direction to be documented in the Construction Document phase.

C. CONSTRUCTION DOCUMENT PHASE

Based on the approved Design Development documents and any further adjustment in the scope or quality of the Project, the Architect of Record shall prepare drawings, specifications and other documents detailing the requirements for the interior construction and fit-out of the Project, including life safety and egress plans. We will review the Construction Documents prepared by the Architect of Record and consulting engineers/design-build subcontractors for conformance with the design intent.

In addition, our package of Construction Document phase deliverables will also include:

1. Finish and Fixture Schedules.
2. Furniture plans coded to the FF&E specifications.
3. Interior elevations indicating the extent and type of each wall finish.
FF&E Specifications, including types and quality of finishes and materials for furniture, fixtures and equipment (excluding Food Service Equipment) to be purchased by the Owner.
4. purchased by the Owner.

D. CONSTRUCTION ADMINISTRATION

As the project is released for construction, we will expect to receive and review sample and shop drawing submissions, and will attend project team meetings during the construction phase, as required, to discuss the sample and shop drawing submissions and to review the progress of the construction. Our Construction Administration scope of services will include the following:

1. Coordination with the Owner to facilitate procurement of specified FF& E goods and materials.
2. Review of shop drawings, sample submittals and strike-offs for conformance with the design intend and Construction Documents.
3. Responses to Contractor requests for information, including written responses, additional or revised drawings and details, as required.
4. Attendance at scheduled project meetins to review the progress and quality of construction, provide field art direction from specialty finishes and review FF&E installation for compliance with the design intent and Construction Documents.
5. Preparation of a punchlist of deficiencies/ corrections to the work following Substantial Completion

2.0 MEETING SUMMARY

For the purposes of this proposal, we have budgeted within our proposed fee attendance at bi-weekly project meetings, presentations and site visits for the duration of the project.

3.0 PROJECT BUDGET

Our fees are proposed with the understanding that the Owner and the Contractor will work with the design team during each project phase to estimate the project cost based upon the drawings and specifications. We will be responsible for the preparation of estimated costs for the FF&E component of the overall project budget.

4.0 PROPOSED FEES

We propose to provide this scope of professional Interior Design services for a fixed fee of \$96,000, plus a not to exceed allowance of \$5,000 for reimbursable expenses. An initial, non-refundable deposit payment of \$15,000 is to be paid upon execution of this agreement and commencement of the Conceptual/Schematic Design phase.

For your information, the balance of our proposed fee is due and payable based on the following phased payment schedule:

Phase Date:	Fee	Payment Due
Conceptual/Schematic Design: execution (6 permanent / 4 temporary)	\$20,000	\$15,000 due upon
Design Development:	\$20,000	
Construction Documentation:	\$5,000	
Construction Administration:	\$5,000	
<hr/>		
Total Project Design Fees:	\$50,000	

We will invoice monthly; payments are due and payable upon receipt of invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at a rate of 2.00% monthly. Failure of the Owner to make payments to [REDACTED] in accordance with these terms shall be considered substantial nonperformance and is sufficient cause for [REDACTED] to either suspend or terminate services until such time as remuneration is forthcoming.

Reimbursable expenses: All expenses incurred in connection with the Project including, but not limited to, reproduction and copies; facsimile, postage and overnight delivery; travel costs for airfare, train, hotel and meals; and finish/material samples and sample mock-ups will be reimbursed by the Owner.

5.0 ADDITIONAL SERVICES

Additional Services, if required, shall be provided subject to a written addendum to the contract, on a time and material basis per our standard hourly billing rates below or as a fixed fee as requested by the Owner.

A. Hourly rates as follows:

Principal:	\$125 per hour
Project Designers:	\$80 per hour
CAD Draftsman and Staff/Jr. Designers:	\$65 per hour
Admin Staff:	\$45 per hour

B. Other methods of compensation (fixed fee, % of const. cost, etc.).

6.0 GENERAL CONDITIONS

Direction to proceed (written, verbal or otherwise) with the work stipulated in this Proposal constitutes acceptance of this Proposal in full, including all terms and conditions, unless

amended or superseded by another Agreement.

The Owner shall provide full information about the objectives, schedule, constraints and existing conditions of the project, and shall establish a budget with reasonable contingencies that meets the project requirements. The Owner shall employ a contractor to perform the construction Work and to provide cost-estimating services. The drawings, specifications, services, information, surveys, reports, existing conditions and as-built dimensions for all areas provided by the Owner shall be furnished at the Owner's expense, and We shall rely upon, and base our work on, the accuracy and completeness thereof.

The Owner will retain all consultants required for the Project separately. [REDACTED] will coordinate our work with the work of the Owner's consultants, but will not be responsible for the accuracy, completeness, or timeliness of their work. [REDACTED] will not be responsible for errors or omissions in the drawings, specifications or other documents prepared by [REDACTED] resulting from inaccuracy of reports, surveys, building or zoning codes or their interpretations by officials, or other information provided to [REDACTED] by the Owner, the Owner's representative or Owner's consultants.

At a minimum, the Architect of Record (AOR) shall be responsible to prepare all drawings required for Construction Documents and for submittal to the local authorities having jurisdiction. The AOR will sign and seal such drawings, and will be responsible for filing such drawings with the authorities having jurisdiction to obtain required approvals. The AOR will also be responsible for code compliance, including life safety and accessibility, and will assume professional liability for the Project.

The Owner shall not obligate [REDACTED] to the contractor, builder or any other of the Owner's consultants, sub-consultants or subcontractors through the Owner's contract with that consultant unless agreed to in writing with [REDACTED]

[REDACTED] shall be entitled to additional compensation for providing services or making revisions to the drawings, specifications and other documents when such revisions are inconsistent with approvals or instructions previously given by the Owner, including revisions made necessary by adjustments to the Owner's program, project budget or schedule; or required by enactment of codes, laws or regulations subsequent to the preparation of such documents; or due to proposed substitutions by contractors or vendors.

The drawings, specifications and other documents prepared by [REDACTED] hereunder indicate typical conditions only and the implementation of these typical conditions to all specific conditions is the Owner's responsibility through his agreement with the Contractor. These drawings, specifications and other documents assume that the Owner will select a Contractor experienced in this type of construction and that the project will be built in accordance with the highest standards of care in the construction industry, unless noted otherwise under description and scope of services.

[REDACTED] shall neither have control over or charge of, nor be responsible for, the means, methods, techniques, sequences or procedures of fabrication, shipment, delivery or installation, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's/Vendor's rights and responsibilities under the Construction Documents.

[REDACTED] shall not be liable in any way for the Contractor's failure to comply with all applicable plans, drawings, specifications, laws, codes, ordinances, safety procedures and other regulations, or for the contractor's failure to prosecute the work in accordance with good and acceptable construction practices

The drawings, specifications and other documents prepared by [REDACTED] are instruments of service for use solely with respect to this project and, unless otherwise provided, [REDACTED] shall

be deemed the author of these documents and the Owner shall retain copies, including reproducible copies of design drawings, specifications and other documents for information and reference in connection with the Owner's use and occupancy of the project. [REDACTED] shall retain all common law, statutory and other reserved rights, including the copyright.

All drawings, specifications or other documents by [REDACTED] shall not be used by the Owner, or others, on other projects, for additions to this project or for completion of this project by others, except by agreement in writing and with appropriate compensation to [REDACTED]. Services provided by [REDACTED] hereunder are performed solely for the benefit of the Owner and not for the use or benefit of any other person.

If this project is suspended by the Owner for more than twenty (20) consecutive days, [REDACTED] shall be compensated for services performed prior to this notice of such suspension. When the project is resumed, compensation shall be equitably adjusted to account for any changes in market conditions as well as for costs and expenses incurred in connection with the suspension and resumption of services provided by [REDACTED].

This agreement may be terminated by the Owner upon not less than seven (7) days written notice to [REDACTED] in the event that the project is permanently abandoned. If the project is suspended or abandoned by the Owner for more than sixty (60) consecutive days, [REDACTED] may terminate this agreement by giving written notice to the Owner, and in connection therewith, [REDACTED] shall be compensated for all basic services and approved additional services performed, and all reimbursable expenses incurred prior to such termination.

If through no fault of [REDACTED] the scope of services included in this proposal has not been completed within thirty (30) weeks of the date hereof, or 15 February 2013, due to scope revisions by the Owner, late product order placement, permitting and/or construction delays etc., then compensation for services beyond that time shall be appropriately adjusted.

[REDACTED] shall have the right to include representations of the design of the Project, including photographs, among our promotional and professional materials, including, but not limited to, magazine articles, books, television/film coverage, and internet website. The Owner shall provide professional credit for [REDACTED] in the promotional materials for the Project prepared by the Owner or its agents.

We are eager to move ahead with this project, and look forward to your positive response to our proposal. Please indicate your acceptance of this proposed fee and scope of service in the space provided below, and return one executed copy for our records. If you have any questions or comments please don't hesitate to contact me at 917.518.7422, or by email at: taraoxley@hotmail.com

Sincerely,

[REDACTED]

cc: Steve Hanson

ACCEPTED AND APPROVED BY:

-----*

Jeffery Epstein

***** * Date