

PROJECT MANAGEMENT AGREEMENT
(under \$50,000)

THIS AGREEMENT ("**Agreement**"), is entered into and effective this the _____ day of _____, ("**Effective Date**") by and between ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII ("**Owner**") as agent for (*enter name of Parish/Facility*), _____ ("**Parish/Facility**") and _____, a ("**Project Manager**").

Recital 1. Owner is the property owner of the Parish/Facility located at (*enter full address*) _____ or the "**Site**").

Recital 2. Owner desires to engage Project Manager for project management services in connection with (*enter brief description of the work*) _____ at the ("**Project**").

1. CONTRACT DOCUMENTS: The contract documents shall consist of this Agreement, all Exhibit's attached hereto, the final construction drawings and specifications ("**Construction Documents**") and any other documents that are specifically incorporated herein by reference (collectively the "**Contract Documents**"). The terms of this Agreement shall control in the event of any inconsistencies or conflicts with other Contract Documents, including any conflicting commercial terms and/or provisions stated in the exhibits.

2. SCOPE OF SERVICES: The Project Manager's scope of services shall consist of those activities identified in or reasonably inferable from the Contract Documents and as set forth and more particularly described in **Exhibit A** ("**Services**") and shall include, without limitation, the following:

.1 Overview.

.a In the performance of the Services hereunder, Project Manager accepts the relationship of trust and confidence established between Project Manager and Owner. Project Manager covenants with Owner to furnish its best skill and judgment in furthering the interests of Owner and the Project. Project Manager's Services shall be carried out in accordance with the standards of care applicable to nationally/Hawaii recognized project management companies who are regularly engaged in providing the same or similar Services on construction projects in the State of Hawaii.

.b Project Manager's primary duty shall be to act as Owner's representative to coordinate the efforts of the general contractor ("**General Contractor**"), the FF&E installation services, the Project architect ("**Architect**"), the interior designer ("**Interior Designer**"), all consultants ("**Consultants**") and other contractors and subcontractors associated with the Project.

.c Project Manager shall provide Owner with a personnel staffing plan which is attached hereto as **Exhibit B** ("**Personnel Staffing Plan**"). The Personnel Staffing Plan shall detail Project Manager's employees working on

the Project, their anticipated hours devoted to the Project and their hourly rates.

.d Project Manager shall be Owner's authorized representative for purposes of issuing and receiving notices and issuing directives required from Owner in the resolution of day-to-day Project design and construction issues. Under no circumstances shall Project Manager have authority to exceed (_____ **DOLLARS**) (\$ _____) in any one instance without Owner's prior written consent.

.e Project Manager shall conduct, attend and distribute minutes from all job site meetings held during the Pre-Construction Phase and the Construction Phase, each as defined below.

.2 Preconstruction Phase. Project Manager shall assist Parish/Facility with the design development process of the Project in preparation for the start of construction including, without limitation, the following activities ("**Pre-Construction Phase**"):

.a Project Manager shall participate and assist Parish/Facility, the Architect and the Interior Designer in the value engineering and budget process.

.b Project Manager shall assist Parish/Facility with identifying and selecting a General Contractor, Consultants and other contractors as needed for the Project.

.c Project Manager shall prepare construction schedules for approval by Parish/Facility. Project Manager shall regularly update the construction schedule as the Project progresses.

.d Project Manager shall provide cost information, analysis, coordination and/or review of the project budget.

.e Project Manager shall review drawings and specifications as they are developed and provide written comments on a timely basis.

.f Project Manager shall advise Parish/Facility, the Architect and the Interior Designer on systems of construction.

.g Project Manager shall assist Parish/Facility and/or the General Contractor in securing building permits.

.h For renovation projects, Project Manager shall review, prior to construction, the condition of any areas and/or surfaces to remain unchanged and document the same. Such documentation shall be used to determine if any damage occurred from the construction activities or the FF&E installation.

.i The Project Manager shall become familiar with the Built of Living Stones Art, Architecture and Worship document when a Worship space is involved in the project. The document is available at the Parish/Facility.

.3 Construction Phase. Upon execution of the construction contract between Owner and the General Contractor ("**Construction Contract**"), Project Manager shall provide, without limitation, the following construction phase services ("**Construction Phase**"):

- .a** Project Manager shall monitor the insurance status of the General Contractor.
- .b** Project Manager shall review the General Contractor's invoices and payment applications and assist in the timely receipt of invoices and payment applications in concurrence with the approved schedule of values.
- .c** Project Manager shall review, assist and advise Parish/Facility as to the General Contractor's change order requests and assist in negotiating change orders with the General Contractor.
- .d** Project Manager shall maintain complete and up-to-date copies of all drawings and specifications, including FF&E specifications and shall confirm the same through Architect's directory of documents, the FF&E budget and other reports.
- .e** Project Manager shall: (i) confirm Owner provide FF&E or equipment ordered by Parish/Facility; (ii) review and confirm all FF&E quantities; (iii) coordinate the jobsite receiving and storage of FF&E and provide receiving documentation to Parish/Facility; and (iv) assist with any freight claims.
- .f** Project Manager shall establish the schedule required for the delivery of FF&E and coordinate this schedule, its status and deliveries with HSM.
- .g** Project Manager shall monitor construction activity on a day-to-day basis, hold weekly project meetings with the General Contractor, provide Parish/Facility with file weekly project reports and generally ensure that the General Contractor's work ("**Work**", as more particularly defined in the Construction Contract) is proceeding as scheduled.
- .h** Project Manager shall prepare Parish/Facility's construction punchlist and the FF&E installation punchlist and follow up with documentation of correction by the responsible parties. Parish/Facility may, if appropriate, include the Architect or Interior Designer in preparation of all, or part, of the respective punchlists, to ensure they are complete and up-to-date.
- .i** Project Manager shall close-out the General Contractor, the Architect, the Interior Designer, the Consultants and other contractors upon completion of the Project.
- .j** Project Manager shall manage the completion of all punchlist work.

3. PROJECT SCHEDULE: Project Manager shall manage the activities of the General Contractor, the Architect, the Interior Designer, all Consultants and other contractors so that the Work and all other aspects of the Project will be pursued diligently in accordance with the time parameters, including all interim milestone dates, set forth in the project

schedule to be developed by Project Manager and the General Contractor and to be attached hereto as **Exhibit C** ("**Project Schedule**").

4. COMPENSATION: As compensation for performance of the Services in full accordance with the Contract Documents, Project Manager shall be paid a fixed fee in the amount of _____, **Dollars (\$_____)** ("**Contract Price**"). The Contract Price shall be paid in accordance with the fee breakdown shown on the Personnel Staffing Plan **Exhibit B** in proportion to the percentage of Services completed in accordance with the Project Schedule. Except for Reimbursable Expenses, as described below, the Contract Price shall be Project Manager's sole and total compensation for all costs, overheads and profit, including, but not limited to, all cost of general conditions, federal, state, and local statutory benefit taxes, income taxes and sales, use and excise taxes which relate to the Services hereunder.

.1 Reimbursable Expenses. Project Manager shall be reimbursed at actual cost, without mark-up, for all reimbursable expenses reasonably incurred in the performance of the Services ("**Reimbursable Expenses**"). Project Manager estimates that its Reimbursable Expenses for the Project will not exceed (_____) **Dollars (\$_____)**, and Project Manager agrees to obtain Parish/Facility's written approval in the event that the Reimbursable Expenses exceed the estimate. The Reimbursable Expenses are limited to the following items:

- .a** Travel and subsistence expenses are, subject to Parish/Facility's approval. Project Manager shall use best efforts to obtain the lowest costs in compliance with **Exhibit D**.
- .b** Costs of postage including the cost of air express mail and delivery services directly required by the Services.
- .c** Costs of long distance telephone communications including facsimile transmissions directly required by the Services.
- .d** All photocopying required in support of the Services.

.2 Non-reimbursable Expenses. Project Manager shall not be entitled to receive reimbursement for any cost not specifically and expressly included as a Reimbursable Expense above, including, without limitation ("**Non-reimbursable Expenses**"):

- .a** Costs of all transportation and subsistence expenses within the metropolitan area of the Project.
- .b** All local telephone communications.
- .c** Costs of computer-aided design software and drafting equipment ("**CADD**") time used in support of the Services.
- .d** Costs of all materials, computer time, data processing and similar expenses incurred in support of the Services.

.e Costs of Internet and e-mail access fees and charges.

5. ADDITIONAL SERVICES. Project Manager will be compensated separately for additional services not included in the Services ("**Additional Services**"). However, in no event shall the Project Manager commence any Additional Services without Parish/Facility's express prior written authorization. Payment for all Additional Services shall be computed on either: (1) a time and expense basis measured by the hourly rates listed in **Exhibit B**, without mark-ups; or (2) on a fixed price basis as may be mutually agreed upon by the parties in advance and in writing.

6. CHANGES. Owner may, at any time, by written change order ("**Change Order**"), make changes in the Services within the general scope of this Agreement. To be effective, a Change Order must follow the Owner's Change Order procedures and be reflected on Owner's standard change order form signed by both parties. Project Manager shall proceed as directed and such Additional Services shall be compensated as set forth in Paragraph 5.

7. OWNER'S RESPONSIBILITIES.

.1 Parish/Facility shall provide Project Manager with information regarding Parish/Facility's requirements for the Project and will cooperate with Project Manager in obtaining information reasonably requested by Project Manager.

.2 Owner shall retain the Architect, Interior Designer, the General Contractor and any and all Consultants, (except those hired by the Architect) suppliers and vendors necessary to complete the Project.

.3 Owner shall be responsible for all testing or inspections required by law or the Construction Documents.

.4 Owner shall furnish all legal, accounting and insurance counseling services as required.

.5 Owner shall require Architect to furnish Project Manager with a sufficient and reasonable quantity of Construction Documents.

.6 Parish/Facility is responsible for the purchase of all FF&E.

.7 The services, information and reports described above shall be furnished at Parish/Facility's expense, and Project Manager shall be entitled to reasonably rely upon the accuracy and completeness thereof.

8. INDEPENDENT CONTRACTOR. Project Manager shall act as an independent contractor in providing the Services hereunder. The means and methods Project Manager employs to provide the Services are matters entirely within its discretion and control in accordance with accepted industry practices. Project Manager has no authority to act as an agent of Owner, except as expressly provided otherwise herein. Project Manager acknowledges and agrees that as an independent contractor, it is solely responsible and liable for performance of all duties, obligations and responsibilities as an employer of individuals hired or retained by Project Manager to provide services to the Owner, including, but not limited to, recruitment, interviewing, hiring, maintenance of personnel records, drug testing, payment of wages, setting wage rates and supervision.

9. EMPLOYEES. Parish/Facility may, from time to time, establish reasonable rules and regulations relating to standards to be met by Project Manager regarding the appearance or conduct of employees or agents of Project Manager employed in connection the Services provided to Owner. Project Manager will remove, or cause to be removed, from the Site any persons to whom Parish/Facility may reasonably object and will ensure that such person(s) shall not thereafter be employed by Project Manager in connection with the Services to be provided hereunder.

10. AUTHORIZED REPRESENTATIVES.

.1 Project Manager's Representative. Project Manager has appointed _____ Telephone : (_____), Facsimile: (_____) to be its representative, who is assigned solely to this Project, and is authorized to act on Project Manager's behalf with respect to the Project and whose decisions, notices and directives shall be binding upon Project Manager with respect to this Agreement.

.2 Architect/Consultant/Interior Designer.
The Architect/ for the Project is: _____ with an office at _____ Telephone : (_____), Facsimile: (_____) . The Consultant for the Project is: _____ with an office at _____ Telephone : (_____), Facsimile: (_____) . The Interior Designer for the Project is: _____ with an office at _____ Telephone : (_____), Facsimile: (_____) .

11. TIME OF THE ESSENCE. Performance of Project Manager's Services shall commence timely and shall continue until Project Manager satisfactorily performs its Services and Parish/Facility duly accepts the Services as complete. Project Manager acknowledges that **TIME IS OF THE ESSENCE** of this Agreement. In this regard, Project Manager hereby accepts and confirms that the time allowed in the Project Schedule is reasonable for completing the Services and hereby agrees to dedicate such personnel and other resources as may be necessary to guarantee that the Services are managed and performed continuously in a diligent, skilled and professional manner in accordance with Owner's objectives of cost, time and quality.

12. APPLICATIONS FOR PAYMENT. Project Manager will be paid monthly, based upon the progress of the Services ("**Progress Payments**") and within thirty (30) days of final completion of the Services ("**Final Payment**"). On or before the twentieth (20th) day of each month, Project Manager shall submit its monthly application for payment for the preceding month ("**Application for Payment**") to the Project Director in a format and supported by such documentation to verify entitlement as Owner reasonably may require, including lien waivers in a format approved by Owner. Each such monthly Application for Payment shall identify clearly, itemize and attribute all cost items in a manner that facilitates review by Parish/Facility and Owner and shall itemize separately the following:

- .1** The amount due for Services provided during the preceding month.
- .2** The amount of Reimbursable Expenses related to the Services performed during the preceding month.

- .3 The amount of Additional Services completed during the preceding month.

Progress Payments shall be paid within thirty (30) days after Parish/Facilities review, and Owner's receipt and approval of Project Manager's Application for Payment.

13. INDEMNIFICATION. Project Manager shall defend, indemnify and hold harmless Owner and the Parish/Facility and each of their respective subsidiaries, affiliates, directors, officers, employees, agents, representatives and assigns (collectively referred to as the "**Indemnitees**") from and against any and all claims, causes of actions, damages, liabilities, losses, costs and expenses, including reasonable attorneys' fees, arising out of or connected with the performance of Project Manager's Services, including the acts, errors or omissions by the Project Manager, its employees and agents, or others for whom the Project Manager is responsible in the performance of its Services under this Agreement. In the event that any claim is made or an action or proceeding is brought against Indemnitees, arising out of Project Manager's Services, any such Indemnitee may, by notice to Project Manager, require Project Manager, at Project Manager's expense, to resist such claim or take over the defense of any such action or proceeding and employ counsel for such purpose. Any counsel chosen by Project Manager is subject to Indemnitees prior written approval, which approval shall not be unreasonably conditioned, delayed or denied. In the case of counsel acting for the Project Manager's insurance underwriters, Indemnitees approval is deemed to have been given. Project Manager's obligations under this Paragraph 13 shall survive termination of this Agreement.

14. INSURANCE. Project Manager shall procure and maintain at its expense policies of insurance of the types and in amounts no less than the minimum coverages specified in **Exhibit E** attached hereto. Project Manager shall maintain such policies of insurance for the duration of the Services and for a period of at least two (2) years thereafter if no other time period is specified herein.

15. TERMINATION. Owner shall have the right to terminate this Agreement as follows:

.1 Owner may terminate this Agreement if Project Manager violates or breaches any of the terms, conditions or covenants hereof and does not remedy such violation or breach within ten (10) days after written notice by Owner to Project Manager of such violation or breach. Upon the effective date of termination, Project Manager will be paid for Services satisfactorily completed, subject to Owner's rights to any offsets or damages.

.2 Owner may terminate this Agreement in whole or in part solely for Owner's convenience upon written notice to the Project Manager ("**Convenience Notice**"), without regard to any fault or failure to perform by Project Manager or any other party. In the event of a termination for convenience, Project Manager shall be paid for all Services satisfactorily performed up to the date of such Convenience Notice, plus an additional amount for reasonable, unavoidable and direct costs of demobilization for a maximum of ten (10) days following receipt of the Convenience Notice.

.3 Owner shall have no liability to Project Manager for compensation, expenses, additional fees or anticipated profits for unperformed Services, lost business opportunities, impaired bonding capacity, or any overhead or general conditions

costs attributable to a termination by Owner, except as provided in Paragraphs 15.1 and 15.2 hereof. All amounts payable by Owner shall be subject to Owner's right of audit and offset.

16. ASSIGNMENT. The Services to be provided by Project Manager hereunder are personal in nature and accordingly, Project Manager may not assign or encumber this Agreement or any rights or obligations of Project Manager hereunder.

17. ADVERTISING AND USE OF NAME. Project Manager shall not display or distribute any advertising signs or notices of any kind whatsoever at the Parish/Facility, except caution and work in progress signs, without the prior written permission of Parish/Facility in each instance. Any such permission given shall be revocable at any time thereafter without prior notice to Project Manager and at the sole discretion of Parish/Facility. Additionally, Project Manager hereby covenants and agrees not to use the name of the Parish/Facility, or any variation thereof, or the name Roman Catholic Church, or any other trademarks or logotypes now or hereafter used by the Parish/Facility or Owner, in any manner without the prior written approval of Owner. In the event of such approval, Project Manager may use the name of the Parish/Facility or the Owner only in the manner and at such times as prescribed in such approval.

18. PARISH/FACILITY'S AUDIT RIGHTS. Project Manager shall maintain all Project-related records ("**Project Records**") for a period of two (2) years after the Project has ended ("**Retention Period**"). Parish/Facility shall have the right to audit, copy and inspect all such Project Records, including all electronic records, files and renderings which are retained in computers or on diskettes, at all reasonable times during the course of the Services and during the Retention Period. Project Records shall be made available to the Parish/Facility at all times to assist Parish/Facility in the resolution of any issues pertaining to Change Orders based on time and expense, claims, other issues pertaining to an increase or decrease in the Contract Price and/or the Project Schedule, or compliance with Owner's business ethics policies.

19. PARISH/FACILITY RIGHT TO WITHHOLD. Notwithstanding anything to the contrary herein, Parish/Facility may withhold from any Progress Payment or the Final Payment, the amount which, in Parish/Facility's reasonable opinion, is necessary to protect Parish/Facility from any overpayment, claims, damages, lawsuits or losses which may result from Project Manager's failure to perform the Services in accordance with the requirements of this Agreement or under any other circumstance that Parish/Facility deems such withholding necessary.

20. CLAIMS AND DISPUTES.

.1 General. The validity, interpretation and effect of this Agreement shall be governed by laws of the State of Hawaii. The existence of any claim, dispute or legal proceeding shall not relieve Project Manager of its obligation to properly perform its Services as set forth herein. In the event of a dispute with respect to amounts payable under a request for payment from the Project Manager, Parish/Facility shall pay all undisputed amounts and Project Manager shall continue performing any remaining Services hereunder. Neither party shall initiate a legal proceeding and the applicable statute of limitations shall not commence to run until the Services are fully performed or until this Agreement is terminated, whichever occurs first.

.2 Mediation. In the event of any claim, dispute or other matter arising out of or relating to this Agreement, the parties shall attempt to resolve any dispute amicably at a meeting to be attended by persons with decision-making authority. If, within thirty (30) days after such meeting, the parties have not resolved the dispute, they shall submit the dispute to mediation by written demand in accordance with the Construction Industry Mediation Procedures of the American Arbitration Association (“AAA”) and bear equally the costs of the mediation.

.3 Arbitration. If, within thirty (30) days after mediation is initiated, the mediation does not result in settlement of the dispute, then the same shall be settled by arbitration administered by the AAA in accordance with its Construction Industry Arbitration Rules (“AAA Rules”), and not by litigation. Either party may submit such unresolved dispute to arbitration, which shall be conducted by a sole arbitrator. The arbitrator shall be selected in accordance with the AAA Rules, provided, however, that the arbitrator must have experience in construction disputes and must not have any conflict of interest. The arbitrator’s compensation and all related expenses shall be borne equally by the parties, unless otherwise awarded by the arbitrator. Unless otherwise agreed, the arbitration shall be conducted in the State of Hawaii. The prevailing party shall be entitled to recover its reasonable attorneys’ fees, costs and disbursements in any action brought to enforce its rights under this Agreement.

.4 WAIVER OF JURY TRIAL. THE PARTIES HERETO, AFTER CONSULTING WITH COUNSEL, HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO TRIAL BY JURY, AND ACKNOWLEDGE THAT THEY UNDERSTAND AND ACCEPT THE DISPUTE RESOLUTION PROCEDURE SET FORTH IN THIS AGREEMENT.

21.NOTICES. All notices and other communication to be given hereunder shall be in writing and be deemed to have been received either: (1) immediately upon personal delivery or confirmed fax receipt; (2) one (1) business day after having been sent by confirmed overnight courier; or (3) three (3) days after mailing, if mailed by certified mail, return receipt requested, postage prepaid:

If to Owner:

Owner’s Name: _____
Owner’s Address: _____
Owner’s Address: _____
Attn: Owner’s Rep: _____
Facsimile No.: _____

If to Parish\Facility:

Parish\Facility Name: _____
Parish\Facility Address: _____
Parish\Facility Address: _____
Attn: Parish\Facility Rep: _____
Facsimile No.: _____

NAME OF PROJECT MANAGER

By: _____
Name: _____
Title: _____

Diocesan form reviewed by:

ASHFORD & WRISTON
A Limited Liability Law Partnership LLP

By: _____
Name: _____
Title: _____

EXHIBIT A
Scope of Services

EXHIBIT B
Personnel Staffing Plan

EXHIBIT C
Project Schedule
(see attached)

EXHIBIT D
Expense Account Procedures

1. Project Manager will be reimbursed for actual costs incurred on the company's behalf while Project Manager's employees are engaged solely in authorized Parish/Facility's business. Such expenses must be reasonable in the circumstances and must be necessary and incidental to the performance of the Parish/Facility's business involved.
2. Every Project Manager employee is responsible for controlling expenses at the lowest possible level and for ensuring that Owner receives adequate value for all expenditures. Project Manager's employees are expected to use common sense in the disbursement of funds and to treat all expenditures as they would if they had to pay for them personally.
3. Expense accounts are to be submitted monthly by the 10th of the succeeding month.
6. The cost of taxicabs to and from the place of business, Parish/Facility and airport is reimbursable. However, bus or airport shuttle should be used whenever possible.
7. Owner, Parish/Facility's are to be used wherever possible, and only standard rooms are to be requested while on company business.
8. The following charges listed below are examples of the types of charges that are Non-Reimbursable Expenses:
 - Personal telephone calls or any calls or expenses for non- Parish/Facility business
 - Gift shop charges
 - Non- Owner business related payouts
 - Entertainment
 - Health club services
 - Hairdresser services
 - Golf, tennis fees, etc.
9. All expense account forms must be completely filled out on both sides. Receipts are required for every expense over \$15.00; however, every Project Manager employee is encouraged to submit a receipt for EVERY item on the expense report.
10. Laundry and dry cleaning are not reimbursable.
11. Expenditures for entertaining are not reimbursable.
12. Expenses for spouses accompanying Project Manager's employee on a business trip are not reimbursable.
13. Reasonable gratuities are reimbursable only when business related. Food and Beverage gratuities should be added to the restaurant check and should NOT be paid in cash.

14. The following expenses are examples of the types of expenses that are Non-Reimbursable Expenses:
 - Personal travel
 - Airline trip insurance
 - Barbershop, beauty shop or shoe shine charges
 - Personal or non-Roman Catholic Church business telephone calls and postage charges
 - Theft damage or loss of luggage or effects
 - Clothing
 - Gifts (flowers, Christmas, birthday, etc.)
 - Traffic/parking violation fines
 - Bar or liquor bills or movie charges
 - Newspapers or magazines
 - Personal medical expenses
 - Personal toiletries
 - Personal credit fees or charges
 - Health Club services
 - Limousines
 - Airline club fees
 - Babysitting services
 - Repairs, maintenance or insurance of personal automobiles
 - Other personal, non-Roman Catholic Church or UNREASONABLE expenses
15. Expense accounts should be accompanied by all receipts. Expenses will not be reimbursed if an item is not fully explained and supported by the required receipts.
16. All travel must be approved by Parish/Facility Project representative.

EXHIBIT E

Insurance Requirements

At Project Manager's expense, Project Manager shall maintain insurance coverage of the following types continuously throughout the term of this Agreement or during any period Services are performed relating to this Agreement:

Project Manager shall carry Worker's Compensation per applicable laws and Employer's Liability insurance with a limit not less than \$500,000 each accident for bodily injury, \$500,000 each employee for bodily injury by disease, and \$500,000 policy limit for disease.

Project Manager shall carry Commercial General Liability (CGL) insurance on an occurrence form with a limit of not less than \$1,000,000 each occurrence covering liability arising from independent Project Managers, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. Indemnitees shall be included as additional insureds under the CGL on form CG 20-10 or equivalent. This insurance shall apply as primary with respect to any other insurance or self-insurance available to Owner.

If Project Manager's scope of Services under this Agreement requires or involves the ownership, maintenance or use of an auto, Project Manager shall carry Commercial Auto Insurance with a limit of insurance no less than \$1,000,000 each accident covering "any auto" whether owned, scheduled, leased, hired or other.

Project Manager may, at its option, purchase insurance to cover its personal property. In no event shall Owner be liable for any damage to or loss of personal property sustained by Project Manager, whether or not it is insured, even if such loss is caused by the negligence of Owner, its employees, officers, directors, or agents.

Project Manager shall carry professional errors and omissions coverage in an amount of not less than \$1,000,000 per claim which shall include the coverage for attorney fees and investigation. Such policy shall cover claims arising out of negligent errors or omissions during the performance of the Services. The retroactive date of the policy must be shown on the certificate of insurance and must be before the date of this Agreement. If the coverage is canceled or not renewed and it is not replaced with another policy with a retroactive date that precedes the date of this Agreement, the Project Manager must provide extended reporting coverage for a minimum of two years after completion of this Agreement or the Work on the former policy. Project Manager shall keep such insurance in force during the course of this Agreement and for a period of not less than two (2) years after the date of substantial completion of the Work in accordance with the terms of this Agreement. Project Manager shall require its subconsultants to provide the same Professional Liability Insurance coverage, unless otherwise agreed by Owner in writing.

Project Manager waives on behalf of itself and its insurers all rights against Owner and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by its insurance regardless of deductibles, if any. Insurance companies affording the coverage required above shall have an AM Best rating of no less than A- VII. Failure to maintain the required insurance may result in termination of this Agreement at Owner's option. By requiring insurance herein, Owner does not represent that coverage and limits will be adequate to protect Project Manager. The requirements

contained herein shall not be construed in any manner to relieve or limit Project Manager's indemnification obligations for any loss or claim arising out of this Agreement.

Prior to the execution date of this Agreement or commencement of any activity contemplated under this Agreement, whichever is earlier, Project Manager shall furnish Owner (the Roman Catholic Church in the State of Hawaii and [*enter name of parish and school*], its officers, officials, employees and volunteers are hereby named as an additional insured), with evidence of compliance with the above requirements. Thirty (30) days written notice to Owner prior to cancellation or material change is required. Project Manager shall further provide certified copies of all insurance policies required above within ten (10) days of Owner's written request for said copies.¹

¹ Paragraph revision - November 17, 2008