



HIDA, OKAMOTO & ASSOCIATES, INC.
CONSULTING ENGINEERS

October 18, 2016

HARVEY K. HIDA, P.E.
ALAN T. OKAMOTO, P.E.

Mr. Jay Fang
Hawaii Ocean Plaza LP
Hawaii Investor Regional Center
USA REALTY CONSTRUCTION GROUP INC.
California Investment Regional Center
1585 Kapiolani Boulevard Suite 1215
Honolulu, Hawaii 96814

SUBJECT: FEE PROPOSAL FOR
Hawaii Ocean Plaza L.P.
Interim Planned Development Phase
Tax Map Key: 2-3-6:18, 19 & 20
HO&A Job No. PP-3044

We are pleased to submit the following fee proposal to provide civil engineering design for the proposed project. Our scope is as follows:

The following are scope clarifications:

1. Topographic survey (Extend to opposite side of adjacent streets) and Geotechnical report to be provided for our use.
2. Conduct site investigations and utility research.
3. Submit Sewer Connection Application.
4. Prepare plans for the Interim Planned Development for Transit (IPD-T) submittal, consisting of demolition, site grading and utility plan. Prepare Narrative.

Our fee including state General Excise Tax is **\$5,000.00**.

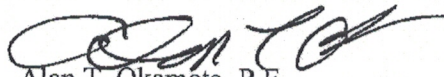
GENERAL PROVISIONS FOR SERVICES

The attached General Provisions for Services, Item 1 thru 16 are hereby made a part of this agreement.

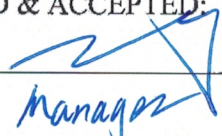
If other unforeseen conditions warrant additional services, we will advise you immediately prior to proceeding. Progress billings will be made on a monthly basis and all amounts owing shall be due and payable within 30 days from date of our invoice. If this proposal meets with your approval, please sign below and return one copy to our office for filing.

Please feel free to contact us at 942-0066 should there be any questions.

Very truly yours,
HIDA, OKAMOTO & ASSOCIATES, INC.


Alan T. Okamoto, P.E.
Vice President

APPROVED & ACCEPTED:

Its: 
manager

DATE: 10/18/2016

GENERAL PROVISIONS FOR SERVICES

1. SERVICES BY THE STAFF OF HIDA, OKAMOTO & ASSOCIATES, INC.

For services on a salary classification rate basis, our fees are based on the time expended on the project by professional and technical personnel. The fee will be computed by multiplying the salary classification cost charged to the project by three (3.0). The salary classification cost will consist of the salaries by rate classification charged to the project plus the cost of customary and statutory benefits including, but not limited to, social security contributions; unemployment; excise and payroll taxes; workers' compensation; health, dental and retirement benefits' leave; and holiday pay applicable thereto.

2. REIMBURSABLE EXPENSES (Prior written approval from Owner is required for any expenses to be reimbursable)

The following items of expense incurred directly or indirectly on the project will be billed at our direct cost or as indicated:

A. Away from the State of Hawaii

- 1. Transportation and subsistence expenses of staff and principals incurred for travel away from Hawaii. Where a trip covers more than one job, expenses will be prorated accordingly.*
- 2. Long distance telephone calls, telegrams, telexes, cables, courier and air freight charges involving areas away from Hawaii that exceed U.S. \$5.00 per instance or item.*

B. Other

- 1. Reproduction of drawings, specifications and reports requested by the Owner in writing over that number specified in the proposal to be furnished within the fee schedule.*
- 2. Expenses of aerial or underwater special photographs not covered in 4, below.*
- 3. Architectural scale models and perspective renderings.*
- 4. Laboratory tests not covered in 4, below.*

A State general excise tax, currently 4.712 percent, will be charged in addition when we have paid the tax on a reimbursable item above for the Owner as billed to us. The State general excise tax on any reimbursable expenses generated within the State will be added to the total fee.

3. **RIGHT-OF-ENTRY**

Unless otherwise agreed and as required, you will furnish right-of entry on the land and in structures for us to carry out our tasks. We will take reasonable precautions to minimize any damage from us of any equipment, but have not included in our fee the cost for restoration of any damage which may result from our operations.

4. **SERVICES BY OTHERS**

On occasion, specialized services by consultants or other technical entities such as field surveys and soils testing may be needed. When considered necessary, these firms or other consultants may be utilized with your approval, and the cost of such services will be included in our invoice with a 10 percent markup if we pay their billings on behalf of the Owner. We prefer to have the Owner pay such bill directly with our written approval for payment, in which case there would be no markup on our part. In addition, in certain instances as required by State law, a State general excise tax, currently 4.712 percent, will be added to the total fee.

5. **INVOICES**

Progress invoices will normally be submitted once a month for services performed during the prior month or for the initial period and a final bill upon completion of our services. Payment will be due within 30 calendar days and are delinquent after 60 calendar days of receipt of one percent (1%) for each 30 calendar days of delinquency. If necessary, attorney's fees and reasonable collection costs are additional. If 60 days in arrears, Hida, Okamoto & Associates, Inc. may, after giving seven (7) days written notice to the Owner, suspend services under this agreement until Hida, Okamoto & Associates, Inc. has been paid in full all amounts due us for services and expenses.

6. **GENERAL LIABILITY AND LIMITATIONS**

We carry comprehensive general liability insurance which, subject to its limits, terms and conditions, provides protection against liability arising out of bodily injury and property damage that is the direct result of our operational negligence. At your request, we will provide certificates evidencing such coverage and will purchase additional limits of liability that you may require as a separate cost item to be borne by you.

7. **LIMITATION OF LIABILITY**

The Owner agrees to limit the Design Professional's liability to the Owner and to all construction contractors and subcontractors on the project arising from the Design Professional's negligent acts, errors or omissions, such that the total aggregate liability of the Design Professional to all those named shall not exceed \$50,000 or the fee, whichever is greater.

8. **OWNER'S RESPONSIBILITIES**

The Owner shall provide all criteria and full information as to the Owner's specific requirements for the project, designate a person to act with authority on the Owner's behalf in respect to all aspects of the project, examine and respond promptly to our submissions, and give prompt written notice to Hida, Okamoto & Associates, Inc. whenever any defect in the work is observed or becomes otherwise evident.

9. **REUSE OF DOCUMENTS**

All documents including drawings, CAD files, cost estimates and specifications prepared by Hida, Okamoto & Associates, Inc. pursuant to this agreement are instruments of service in respect of the project. They are not intended or represented to be suitable for reuse by the Owner or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by Hida, Okamoto & Associates, Inc. for the specific purposes intended will be at the Owner's sole risk and without liability or legal exposure to Hida, Okamoto & Associates, Inc. from all claims, damages, losses and expenses, including attorney's fees, arising out of or resulting therefrom. Any such verification or adaptation will entitle Hida, Okamoto & Associates, Inc. to further compensation at rates to be agreed upon by the Owner and Hida, Okamoto & Associates, Inc.

10. **OPINIONS OF PROBABLE CONSTRUCTION COST**

Since Hida, Okamoto & Associates, Inc has no control over the cost of labor, material, equipment or services furnished by others, or over the Contractor's methods of determining prices, or over the competitive bidding or market conditions, our opinion of probable project cost and construction cost will be made on the basis of our experience and qualifications and represent our best judgment as experienced and qualified personnel, familiar with the construction industry; but we cannot and do not guarantee that proposals, bids or actual project or construction costs will not vary significantly from opinions of probable cost prepared by us. If prior to the bidding or negotiating phase, the Owner wishes greater assurance as to the project or construction cost, he shall employ an independent cost estimator.

The Civil Engineer shall design the project within a Construction budget to be determined during the design development phase. All changes to the project required because of over budget pricing shall be considered not within Civil Engineers basic scope of services.

11. **TERMINATION**

The obligation to provide further services under this agreement may be terminated by either party upon 14 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no-fault of the terminating party. In the event of any termination, Hida, Okamoto & Associates, Inc. will be paid for all services rendered to the date of termination, any reimbursable expenses.

12. **SUCCESSORS AND ASSIGNS**

- A. *The Owner, Hida, Okamoto & Associates, Inc. each binds himself and his partners, successors, executors, administrators, assigns and legal representatives to the other party of this agreement and to the partners, successors, executors, administrators, assigns and legal representatives of such other party, in respect to all covenants, agreements and obligations of this agreement.*
- B. *Neither the Owner, nor Hida, Okamoto & Associates, Inc. shall assign, sublet or transfer any rights under or interest in (including, but without limitation, money that may become due or money that is due) this agreement without the written consent of the other, except as stated in paragraph 13 and except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this agreement. Nothing contained in this paragraph shall prevent Hida, Okamoto & Associates, Inc. from employing such independent consultants, associates and subcontractors as we may deem appropriate to assist us in the performance of services hereunder.*
- C. *Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the Owner and Hida, Okamoto & Associates, Inc.*

13. **DISPUTES**

If a dispute arises relating to the performance of the services and legal or other costs incurred, it is agreed that the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, including staff time at current billing rates, court costs, attorney's fees and other claim related expenses.

14. **PAYMENT OF UNDISPUTED PORTIONS**

In the event Client disputes any portion of an invoice, Client shall pay all undisputed portions of such invoice as required by this Agreement. Client shall not withhold any payment or portion thereof as an offset to any current or prospective claim. Client may only withhold payment as to those specific services Client claims were improperly performed.

15. **RIGHTS TO SUSPEND**

If the Owner fails to make payments to Engineer in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the option, cause for suspension of performance of services under this Agreement. If the Engineer elects to suspend services, prior to suspension of services, the Engineer shall give seven days' written notice to the Owner. In the event of a suspension of services, the Engineer shall have no liability to (and shall be indemnified by) the Owner for delay or damage caused the Owner (or others) because of such suspension of services. Before resuming services, the Engineer shall be paid all sums due prior to suspension and any expenses incurred in the resumption of services. The fees for the remaining services and the time schedules shall be equitably adjusted.

16. **ENTIRE AGREEMENT**

These General Provisions shall be used in combination with a letter of agreement, proposal or contract. These combined documents shall be the entire agreement and shall supersede any other agreement between the Owner and Hida, Okamoto & Associates, Inc. relating to the subject matter. In case of conflict or inconsistency between these General Provisions and any other contract document, these General Provisions shall control.