

**DAKOTA COMMUNITY UNIT DISTRICT NO. 201**  
**BUILDING TRADES AGREEMENT BETWEEN**  
**BOARD OF EDUCATION AND HOMEOWNER**

THIS AGREEMENT MADE THIS \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between the BOARD OF EDUCATION OF DAKOTA SCHOOL DISTRICT NO. 201, Stephenson County, Illinois, (BOARD) and \_\_\_\_\_ (HOMEOWNERS), all of the aforesaid sometimes collectively referred to herein as the "Parties".

**WITNESSETH:**

WHEREAS, the Board currently runs as part of its curriculum a building trades program in which residential homes are constructed by students supervised by an instructor in a vocational building trades class at Dakota High School; and

WHEREAS, Homeowners are desirous of purchasing a residential home constructed by and through the building trades program operated at Dakota High School.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

1. The BOARD agrees to permit the construction of a house as an educational project in accordance with the Illinois School Code 105 ILCS 5/10-23.3, at the following location:

Commonly known address: \_\_\_\_\_

Legal description: \_\_\_\_\_

PIN: \_\_\_\_\_

All of said land situated in Stephenson County, in the State of Illinois and owned and controlled by Homeowners.

2. The BOARD agrees to provide the labor for construction in substantial conformance with plans and specifications supplied by the Homeowners, attached hereto and hereby incorporated by reference. Said labor shall be provided by students supervised by a certified instructor in a vocational building trades class at Dakota High School. The construction shall include framing and finishing a house interior and exterior above the foundation of the house.
3. For services, labor, and supervision provided by the Board, the HOMEOWNERS agree to pay the Board a fee based on the square foot measurement as found on the plans. The square footage of this house for the purposes of the building fee is \_\_\_\_\_ sq. ft. ("Building Fee"). The building fee is assessed as follows:
  - a. \_\_\_\_\_ Houses totaling 2000 sq. ft. or less will be billed at \$6.00/sq. ft.

- b. \_\_\_\_\_ Houses totaling more than 2000 sq. ft. but less than 2500 sq. ft. will be billed at \$7.00/sq. ft.
  - c. Building Fee is \$\_\_\_\_\_ minus \$3000 operating reserve = \$\_\_\_\_\_ for payment purposes.
  - d. Payment shall be made according to the Building Fee Payment Schedule.  
**Homeowner shall select one of the following payment options:**
    - 1) \_\_\_ One (1) payment of \$\_\_\_\_\_ due on September 1, 2007
    - 2) \_\_\_ Two (2) payments of \$\_\_\_\_\_ due on September 1, 2007 and January 1, 2008
    - 3) \_\_\_ Quarterly (4) payments of \$\_\_\_\_\_ September 1<sup>st</sup>, December 1<sup>st</sup>, March 1<sup>st</sup>, and June 1<sup>st</sup> of the 2007-2008 school year.
    - 4) \_\_\_ Monthly payments of \$\_\_\_\_\_ due on, or before the 1<sup>st</sup> of each month September through June of the 2007-2008 school year
  - e. Late payments made after the 10<sup>th</sup> of the month will be subject to a 1.5% late fee.
  - f. **Credit Card Payment Option:** If the homeowner chooses the option to make payments using a credit card, the homeowner will also assume the cost of credit card fees charged to the district as a result of the homeowner choosing to pay by credit card.
4. The Board shall purchase all materials necessary for the framing and finishing of the interior and exterior of the house above the foundation in accordance with the competitive bid requirements of the Illinois School Code, 105 ILCS 5/10-20-21. The Board intends to accept or reject bids with Homeowners' advice and consent, but the Board reserves the right to accept or reject any bid for materials or work for which the Board is responsible under this Agreement.
5. The parties shall establish an operating reserve with the BOARD for the payment of construction costs, as follows:
- a. The funds of the operating reserve shall be held, monitored, and managed by the Board. Withdrawals from the operating reserve shall be authorized and signed only by the Superintendent of Schools or his/her designee.
  - b. \$1000 in "earnest money" shall be submitted to the BOARD with the bid proposal, which proposal shall also include the following:
    - 1) Detailed house plans
    - 2) Accurate square footage
    - 3) Roof pitch
    - 4) Exterior elevation drawings
    - 5) Exterior view(s) of house
    - 6) Location and photograph(s) of lot
    - 7) Instructor's written approval (see form)
  - c. When construction commences, HOMEOWNERS shall deposit an additional \$2,000.00 in the operating reserve. The additional deposit shall be added to the \$1,000.00 "earnest money" deposit previously submitted with the bid proposal, to establish a total operating reserve of \$3,000.00.

The parties agree that the operating reserve shall remain at \$3,000.00 at all times, subject to the terms and conditions of this Agreement.

- d. All vendors shall submit bills or invoices for materials, supplies, and labor to the Board for payment. The Board shall promptly submit copies of such invoices to the Building Trades Instructor and Homeowners at least monthly for review and approval. Homeowners shall approve the same and promptly deposit the amount of each invoice in the operating reserve to approve for payment of the Board to the vendors. If Homeowners object to any invoice, said objection should be submitted to the Superintendent in writing within five (5) days of receipt of invoice, with a detailed explanation of the reason for the objection. Notwithstanding any other provision in the Agreement, under no circumstances shall the Board be liable to pay an vendor for supplies, materials, and/or labor on the project, and Homeowners agree to indemnify and hold the Board harmless from and against any and all liability, claims, suites, demands, liens, bonds, or any other expenses arising out of or relating to the provision of supplies, materials and labor by vendors in connection with the project, including any attorneys' fees incurred by the Board in the defense of such claims.
6. The HOMEOWNERS shall not take possession of the residence until all financial settlements have been completed.
  7. HOMEOWNERS assume all responsibility for construction involving excavation, removal of rock (if necessary) clearing of lot (if necessary); foundation, backfill, electrical, plumbing, heating and air conditioning system, if installed; masonry; plaster; gutter and down-spouting; and floor coverings. Upon approval of the Board, payment for invoices for the above construction as ordered by the HOMEOWNERS may be made through the operating reserve subject to the terms and conditions of this Agreement.
  8. The BOARD shall provide for all tools and equipment used by the students in the construction of the house and provide all necessary transportation of school personnel and students to and from the house.
  9. HOMEOWNERS shall be responsible for the foundation and backfill, to be completed on or before August 20<sup>th</sup>. HOMEOWNERS remain responsible for all other concrete construction, which thereafter shall be completed within the times designated by the BOARD'S representative.
  10. The HOMEOWNERS shall have the responsibility of providing temporary toilet facilities until such facilities are usable in the house. The temporary toilet facilities are to be on the site by August 20<sup>th</sup>.
  11. The HOMEOWNERS shall be responsible for utility expenses.

12. Any changes or alterations in the labor and materials to be provided by the BOARD hereunder shall be reduced to written change order and signed by both parties. Any such Change Order shall clearly state any additions, deletions, additional costs, or credits and any change in any completion deadline set forth in this Agreement or in the plans and specifications. Any change or alteration not subject to a written Change Order according to this provision shall be the sole responsibility of the party ordering the change or alteration. Any change resulting in an increase in the square footage of the house shall increase the building fee, and said increase shall be paid before ownership is transferred from the Board to the Homeowners.
13. The HOMEOWNERS shall at their cost and expense obtain and pay for all licenses, permits, certificates, surveys, and other similar items which may be necessary for the performance of the work under this contract.
14. The HOMEOWNERS shall be responsible for all taxes arising out of the construction of said home and the ownership of said real estate.
15. The HOMEOWNERS shall have the right **upon reasonable notice** to the Vocational Education Instructor or the Superintendent of Schools to inspect the site.
16. The work to be performed by the students of the school district shall substantially comply with the terms, and conditions of the contract between the HOMEOWNERS and the BOARD. All work shall be done in a workmanlike manner subject to the inspection, approval and acceptance of the Building Trades instructor whose decision of all questions arising out of the performance of such work shall be final and binding on the Parties hereto.
17. If either party determines that this Agreement or the plans and specifications are unclear or ambiguous, or the performance of the plans and specifications is not appropriate, the party promptly shall notify the other party of the claimed ambiguity or inappropriate work. The parties thereafter shall meet to review and clarify any part of the Agreement or the plans and specifications, and to discuss any corrective work that may be necessary.
18. If the BOARD is not paid in a timely manner, including any failure by the Homeowners to timely deposit funds into the operating reserve or to make timely Building Fee payments, the BOARD may, upon reasonable notice to, but without approval from HOMEOWNER, pay any outstanding invoices or charges for which the BOARD is responsible from the operating reserve. If the operating reserve is insufficient, Homeowners shall be liable to the Board for amounts so paid over and above the balance of the operating reserve.
19. The HOMEOWNERS, their heirs, executors, administrators and successors agree not to assign, transfer, convey any of their rights, obligations, title and/or interest in this Agreement to any other person, company or corporation without advance consent in writing by the Board.

20. Homeowners shall purchase and maintain adequate insurance for the property and construction work to be performed thereon, including but not necessarily limited to fire, theft, general liability, umbrella, and builders risk insurance policies. Insurance shall be purchased from a responsible carrier licensed to do business in the State of Illinois and a certificate of insurance shall be presented to the Board naming it as an additional insured prior to the commencement of any activity on the site. The coverage under said policy shall be subject to Board approval.
21. The Board shall provide sufficient insurance coverage for all school personnel at the site and while traveling to and from the project site. The Board shall name Homeowners as an additional insured under such coverage.
22. The parties agree that the replacement costs of all materials accidentally damaged and not subject to insurance coverage shall be shared equally up to \$250.00. Costs in excess of \$250.00 shall be the responsibility of the Party who damaged the materials.
23. OTHER THAN AS SET FORTH IN PARAGRAPH 16 OF THIS AGREEMENT, HOMEOWNERS ACKNOWLEDGE AND AGREE THAT THE BOARD HAS NOT GIVEN ANY WARRANTIES, EXPRESS OR IMPLIED, RELATIVE TO THE CONSTRUCTION OF THE HOME CONTEMPLATED UNDER THIS AGREEMENT, AND THAT THE BOARD ASSUMES NO LIABILITY OR OBLIGATION OTHER THAN IS EXPRESSLY SET FORTH IN THE AGREEMENT. THE BOARD SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OF PURPOSE. HOMEOWNERS ACKNOWLEDGE THAT SIGNIFICANT SAVINGS IN CONSTRUCTION COSTS WILL BE REALIZED BY THE USE OF STUDENTS THROUGH THE DISTRICT'S VOCATIONAL EDUCATION PROGRAM AND THIS WAIVER OF WARRANTY IS GIVEN BY HOMEOWNERS IN CONSIDERATION OF SAID SAVINGS IN CONSTRUCTION COSTS.
24. The Homeowners shall indemnify, defend, and hold harmless the Board, its agents, employees, and students from and against all claims, suits, demands, liability or other such expenses, including but not limited to, attorney's fees, arising out of or relating to the work to be performed under this Agreement.
25. The work to be performed by the BOARD under this Agreement shall be completed to the reasonable satisfaction of the Vocational Educational Instructor. Possession of the residence shall be transferred to HOMEOWNER upon HOMEOWNER'S payment to the Board of all amounts due and owing under this Agreement including, but not limited to, the Building Fee.
26. It is the full intent of the program to complete fully the construction of the house during the school year. However, in the event that completion is not possible, the HOMEOWNERS will assume the responsibility for arranging and paying for any work not completed by the end of the school year.

27. Upon completion of the construction for which the BOARD is responsible, and simultaneous with or prior to final payment by HOMEOWNERS, the BOARD shall provide the statutory Contractor's Affidavit listing all persons, corporations, or entities that have furnished labor and materials for the construction and the amount of any charges from each person, corporation, or entity for labor and materials, paid and unpaid. The BOARD also shall provide final lien waivers, or the equivalent thereof.

28. The following shall be the substantial process for approval of plans, submitting of specifications, letting of bids, acceptance of completed work, or acceptance of the project. Approval shall be by the HOMEOWNER, Vocational Education Instructor(s), and by an administrator of the district.

\*\*\*Schedule may vary

<b><i>Month</i></b> ***	<b><i>Activity</i></b>	<b><i>Responsible Party</i></b>
Jan. or Feb.	Approval of Building Trades project for upcoming school year.	BOARD
Feb.	Solicitation for Building Trades proposals	BOARD
Feb./Mar.	Completion of Bid Proposal information (see Section 5B of this contract). Deliver proposal to Superintendent according to bid advertisement.	HOMEOWNER CANDIDATE
Mar.	Bid Proposal is presented to Board	SUPERINTENDENT
Mar.	Bid Proposal is approved. Contract is signed.	BOARD
April	Blueprints are completed and sent to Superintendent	HOMEOWNER
April	Blueprints and House plans are sent off for completion of materials list	BOARD/ SUPERINTENDENT
May	Materials list is completed	TBA
June	Materials list is reviewed for accuracy	HOMEOWNER
July	Authorization to seek bids for building materials	BOARD
August	Approval of building materials bids	HOMEOWNER
	Acceptance of bids	BOARD
August 20	Foundation complete, backfill complete, toilet facilities In place, electrical source in place, lot cleared for construction	HOMEOWNER
November	Plastering and interior painting specifications Gutter and downspout specifications	HOMEOWNER
January	Kitchen and bathroom cabinetry and countertop specifications	HOMEOWNER
March	Floor covering specifications	HOMEOWNER
May	Deadline for inspection of electrical and plumbing systems	HOMEOWNER
May	Acceptance of Building Trades project upon completion of final payment(s) to district	HOMEOWNER
August – May	Billing and working with vendors.	HOMEOWNER and DIRECTOR OF

29. In the event of any disagreement or dispute between the Parties arising out of their respective rights and obligations under this Agreement, the Parties agree that said disagreement or dispute may be submitted to voluntary mediation for resolution. IN the event mediation is invoked, the Parties shall mutually agree upon a third party mediator whose decision shall be advisory only, and not binding. In the event the Parties elect to forego mediation or if mediation is unsuccessful, the Parties reserve any and all rights under the law or in equity that they may otherwise have to enforce the terms and conditions of this Agreement.

\_\_\_\_\_  
President  
Dakota Board of Education  
District No. 201

\_\_\_\_\_  
Secretary  
Dakota Board of Education  
District No. 201

\_\_\_\_\_  
Homeowner

Dated: \_\_\_\_\_

\_\_\_\_\_  
Homeowner

C: Homeowners  
Building Trades file  
Director of Fiscal Services  
Superintendent

*Dakota CUSD#201*  
*Building Trades Program*  
*Instructor's Approval of Proposal*

I have carefully reviewed the proposed house plans for

\_\_\_\_\_.

Insert bidders' name

\_\_\_\_\_ I approve these plans as presented to me.

\_\_\_\_\_ I approve these plans, however, because the plans are for a two-story home, the owner will be responsible for the completion of the following work which must be completed in a timely fashion so as not to hinder the completion of this project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ I do not approve these plans for the following reason(s):

\_\_\_\_\_  
\_\_\_\_\_

Instructor's Signature \_\_\_\_\_

Date \_\_\_\_\_