

Design Build Dwellings, Inc.
711 S. Corona St.
DENVER, CO 80209

Owner: John & Jane Doe
Address: 123 Way St
Denver CO 80209
Phone: (303) 555-7615

AGREEMENT REGARDING CONSTRUCTION WORK

This Agreement Regarding Construction Work ("Agreement") is made as of the 27th day of October, 2010 by John & Jane Doe (Owner") and Design Build Dwellings Inc.. ("DBD"). Owner and DBD are sometimes collectively referred to herein as the "parties."

In consideration of the promises and covenants contained herein and for good and valuable consideration, the parties do hereby agree as follows:

SECTION 1
DESCRIPTION OF WORK

1.1. DBD shall furnish the materials and labor (the "Construction Work") necessary for the performance of such Construction Work upon the real property located at 123 Way St, Denver Colorado, 80209, as set forth in this Agreement, pursuant to the drawings and proposal dated 10.27.2010, and the final pricing specifications both of which are attached hereto and incorporated herein (the "Contract Documents"). The parties have initialed the Contract Documents as an indication of their acknowledgment and agreement to the terms and conditions contained therein. This agreement is a **fixed bid contract** that only allows for price changes to occur for allowance items specified by (*) on item cost sheet or called out otherwise, change order requests made by owner, required by code and or provisions set forth in section 5.4 of this agreement.

1.2. The parties shall make **no** substantial change in the Contract Documents without the prior written agreement executed by both parties, describing any such change, the approximate change in contract price and any anticipated delays in the Completion Date resulting from such change. Verbal communications referencing changes to this agreement with any DBD employee or agent does not constitute a binding agreement; all changes must be in writing, without exception.

1.3. Any and all allowance items and amounts shall be specified in the Contract Documents. Any change or alteration by Owner to the allowance items shall result in the contract price and or Substantial Completion date being adjusted to reflect such revision.

SECTION 2
PAYMENT AND LIEN WAIVERS

2.1. Owner shall pay DBD for the Construction Work as set forth in the Contract Documents as follows:

Deposit due upon signing this agreement	\$ 4,500.00
Due November 23 rd , 2010	\$ 2,000.00
Due upon substantial completion	\$ 1,053.00
Total	\$ 7,553.00

The above referenced total shall be due in full upon Substantial Completion of the Construction Work by DBD. Payment shall not be delayed due to any unfinished work to be performed by subcontractors not directly affiliated with DBD. Charges for any and all additions (change orders, etc.) to the Construction Work will be billed as follows:

a. DBD employees shall be billed at the following rates; administrative personnel at \$ 75.00 hr, lead men at \$55.00 per hour, carpenters at \$35.00 per hour, and helpers at \$22.00 per hour. DBD shall bill Owner at the above referenced rates for all time directly attributable to revisions/additions to this Agreement.

b. All materials, supplies, subcontractors, and other direct costs, excepting those items set forth in Section 2.1(a) above, shall be billed by DBD to Owner at the invoice cost plus 20%. Volume discounts and discounts for prompt payment, if any, shall accrue to and for the benefit of DBD.

2.2. Down Payment - Upon execution of this Agreement, Owner shall pay DBD the sum of \$4,500.00 to compensate DBD for planning time, material deposits, down payments to subcontractors, and other costs directly attributable to this Agreement and the Construction Work. Said down payment shall be credited to the final billing under this Agreement.

2.3. Payment - Costs for hourly employees as set forth in Section 2.1(a) above may be billed bi-weekly; Costs as set forth in Section 2.1(b) above may be billed bi-weekly or upon receipt of invoices from suppliers. Owner agrees to make complete payment of all charges and or change orders on receipt of the statement or invoice. All payments are to be made directly to an officer of DBD. **Do Not Mail Payments.** The making and acceptance of the final payment shall constitute a waiver of all claims by the owners, other than that from faulty work appearing during the warranty period as provided in article 9 herein. Any out of state funds will be due and payable 10 day prior to payment due date to allow for funds to clear.

2.4. Substantial Completion Payment - Substantial Completion payment: Upon substantial completion and acceptance of the Work in accordance with Section 1 and paragraph 3.2 of this agreement, Owner shall pay the remainder of the Contract Price as set forth in Section 2 of this agreement. Owner may withhold a portion of the Substantial Completion payment for incomplete work in an amount equal to 200% of the cost of the agreed upon incomplete work with a minimum amount of \$ 500.00

2.5. Accounting Records - For those items set forth in Section 2.1(a) and (b), Owner may request invoice copies and time cards for review upon five days notice and may retain said records for up to three days or as otherwise agreed upon by the parties.

2.6. If the Construction Work contemplated by this Agreement is to be financed with a lending institution, Owner agrees to complete and sign any and all documents required by such lending institution including, however not limited to, any credit application, note, or deed of trust and all documents so executed shall merge with and become a part of this Agreement.

2.7. Overtime - If for any reason the Owner or any third party causes DBD, its employees, agents, or subcontractors to work overtime, Owner agrees to pay all additional costs of said overtime work, which shall be at a rate of 1½ times the amounts set forth in Section 2.1(a).

2.8. Owner Provided Project Components - Time lost by DBD due to material, labor, subcontractors, design services, or any other project component provided by the Owner or any third party not under the direct supervision of DBD, may become chargeable time as set forth in Sections 2.1 and 2.7 above.

2.9. Late payment - Failure by Owner to pay any amount when due shall cause interest to be added to such amount at the rate of 18% per annum from the due date until paid. In addition, upon Owner's failure to pay any amount due hereunder, DBD shall have the right to declare this Agreement terminated and to retain any payments theretofore made by Owner. In the event of such termination, DBD shall be released from any further liability or obligation hereunder. Such termination by DBD shall not prevent DBD from enforcing any other rights or remedies that DBD may have, resulting from or arising out of this Agreement.

2.10. LIQUIDATED DAMAGES NOT AS A PENALTY- Time is of the essence in the Agreement. In the event that DBD shall fail to achieve substantial completion of the work specified and required to be performed within the time limit or limits set forth in the Agreement, after due allowance for any extension or extensions of time made in accordance with provisions herein set forth, DBD shall be liable to the Owner for liquidated damages, and not as a penalty, in the following amounts: delay in Substantial Completion of the total work, \$200.00 per day for every business day that DBD shall be in default of the Contract Documents of the work as established by said time limit or limits. The Owner shall have the right to deduct said liquidated damages from any amount due, or that may become due DBD or to collect such liquidated damages from DBD.

SECTION 3 PROPOSED COMMENCEMENT / COMPLETION DATE

3.1. The Construction Work to be performed by DBD under this Agreement shall be completed by midnight December 10th, 2010, (the " Substantial Completion Date"), which date shall be deemed approximate, and completion within 30 days thereafter shall be deemed to

constitute Completion Date” by DBD. The Substantial Completion Date shall be extended by an amount of time equal to the actual time lost due to weather, strikes, material shortages, acts of God, or any other delay beyond the direct control of DBD.

3.2 SUBSTANTIAL COMPLETION DATE - The date DBD determines the Owner has full and unrestricted use and benefit of the facilities, both from the operational and safety standpoint, and only minor incidental work, replacement of temporary substitute facilities, or correction or repair remains for the physical completion of the total contract. If DBD believes it has suffered delays in performing the work contracted in this agreement caused by acts or omissions of the Owner or their agents, DBD may submit a Contractor Change Request for a time extension to the “Substantial Completion Date”.

SECTION 4 CHANGES OR ADDITIONS

4.1. MEASUREMENTS AND DIMENSIONS - Owners specifically acknowledge that all measurements and dimensions shown in the Contract Documents are approximate and that the actual measurements and dimensions may vary. DBD represents that all reasonable efforts to verify and confirm the measurements and dimensions have been made prior to the commencement of construction and that a continuing effort shall be made to inform the Owners of all substantial variations in the actual measurements and dimensions.

4.2. MATERIALS AND SUBCONTRACTORS - Unless otherwise specified, all material shall be new and both the workmanship and materials shall be of good quality. DBD reserves the right to substitute material of equal or better quality. DBD reserves the right to hire and supervise such workmen and subcontractors as DBD deems appropriate to complete the work and shall supply such adequate supervision as DBD deems appropriate, provided that all workmen and subcontractors shall be skilled in their trades.

SECTION 5 LIMITATIONS OF DBD

5.1. DBD agrees to perform the labor required hereunder in a workmanlike manner.

5.2. Although DBD will make a reasonable effort to match new or altered components to the existing, some variation of color, grain, finish, or texture may be noticeable.

5.3. DBD shall in no event be required to perform any repair or construction work not expressly provided for in this contract.

5.4. It is expressly understood and agreed by the parties that the total contract price set forth in Section 2 does not include expenses resulting from hidden or unknown conditions which affect the Construction Work. Hidden or unknown conditions...this sample is completed