

# ROBERT M. PAGAN CONSTRUCTION CO.

8125 LOYOLA BLVD. LOS ANGELES, CA 90045  
BUILDERS OF CUSTOM HOMES AND COMMERCIAL BUILDINGS - LIC. # 509594  
TEL: 310-649-6187 FAX 310-568-8786

AGREEMENT made as of the \_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_.

\_\_\_\_\_, hereafter referred to as "Owners", and  
ROBERT M PAGAN CONSTRUCTION COMPANY of Los Angeles, California, hereafter referred to  
as Contractor agree as follows:

## 1 CONSTRUCTION OF BUILDING

Contractor shall furnish all labor and materials necessary for construction of Owners property located at  
\_\_\_\_\_ according to plans and specifications prepared for by  
\_\_\_\_\_ And Robert M .Pagan Construction Co. proposal.

## 2 TIME FOR COMPLETION

Contractor shall commence work on the project on or about \_\_\_\_\_ and unless delayed  
by one of the causes mentioned in paragraph 26 of this contract and complete construction of the project on  
or about \_\_\_\_\_

## 3 CONTRACT PRICE

The Owners shall pay Contractor the sum of \_\_\_\_\_ hereafter referred to  
as "**Contract Price**", for labor and materials as follows.

(a) Billings will be calculated and submitted to owners weekly in an amount equal to the actual percentage  
of each category item completed until such time as 10% of Contractor's fee remains, at which point per 28  
herein, final payment upon completion, is controlling.

(b) Payment is due from Owners within fourteen (14) days of receipt of the billings submitted as set forth  
above.

(c) If payment is not received within fourteen (14) days from the date a billing is submitted to Owners, the  
unpaid amount(s) are subjected to a late charge of ten (10) percent calculated from the date submitted.

## 4 EXTRA WORK

Should the Owners, their architect, other design professional or any public agency request or require  
additional work to be performed which is not shown on the present plans and specifications for the project,  
the cost of the additional work shall be added to the Contract price and paid by the Owners (on completion  
of such additional work). No extra work shall be done until a signed copy of changeorder has been  
received by contractor.

Contractor is entitled to be paid for all such additional work requested or directed in writing, and any ex-  
penses incurred by Contractor because of unusual or unanticipated ground conditions shall be paid for by  
Owners as additional work done by Contractor.

All requested or required extras will be evidenced in a written change order signed by owners and con-

tractor. The estimated time required to complete each extra item will be noted on each written change order. All extra work so evidenced will be billed by Contractor to Owners.

## **5 ALLOWANCE ITEMS**

Any items designated as allowance items, e.g. plumbing fixtures, tile and finish hardware, will fluctuate up and down with respect to choices on such items made by Owners.

## **6 LIEN RELEASES**

On a weekly basis, Contractor shall provide Owners with binding lien releases prepared by contractor, from materialsman and / or laborers who supplied any material or labor to said job.

## **7 SUBCONTRACTORS HIRED BY OWNERS**

If Owners hire any subcontractor, laborer or materialsmen not hired by Contractor then:

(a) Contractor will have no responsibility whatsoever for the quality of workmanship on any item worked on by such subcontractor.

(b) Any subcontractor so hired must procure and maintain, at subcontractor's own cost and expense, during the performance of the labor a policy of general liability insurance and workers compensation or employee liability insurance for the protection of the subcontractor's employees engaged in work on the project, and to deposit with Contractor a certificate satisfactory to Contractor evidencing that insurance.

(c) The Contractor is not responsible and the Owners expressly hold Contractor harmless from any and all claims for damages which result from the actions of subcontractor(s) hired by Owners, including any damage which may be sustained by or caused to the work performed by any of the subcontractor(s) hired by Contractors.

## **8 PLANS & SPECIFICATIONS**

The plans for the project, the specifications for the project and this contract (hereinafter referred to as (Contract Documents) are intended to supplement each other, so that any work mentioned in one of those instruments, but not in the others shall be performed in the same manner as if mentioned in all the instruments. Should a conflict arise between the instruments, the specifications shall control over the plans, and this Contract over both the plans and specifications.

## **9 PERMITS**

The Contractor shall pick up all permits for the project when the same are issued by any county or state entity for the work call under this document.

10 The Owners shall be responsible for payment of all costs related to survey work, soils investigations or for permits required from any city, county and or state entity. Owners shall also be responsible for payment of fees to any city, county or state entity for the review and / or approval and / or issuance of said permits, plans or releases.

## **11 OWNER'S AUTHORIZED AGENTS**

The Owners shall designate one or more agents to represent them who shall be fully acquainted with the project, and shall have the authority to approve changes in the scope of the project, render decisions promptly, and furnish information expeditiously. Billings will be approved prior to submittal by \_\_\_\_\_ or if he is unable to an Owner authorized agent.

## 12 PHYSICAL CONDITIONS

Reference is made to the listing of Contractor documents for identification of those reports of exploration and tests of subsurface conditions at the site of the project that have been prepared by Owners, engineer. Contractor may rely upon the accuracy of such soils report(s) as a material inducement to entering into this agreement. Contractor shall timely inform Owners if in his opinion further reports or tests, etc. are needed or recommended.

13 Reference is further made to the listing of contract documents for identification of those drawings of physical conditions in or relating to existing surface and subsurface structures which are at or contiguous to the site if the project that have been prepared by Owners soils engineer or other expert(s). Contractor may rely upon the accuracy of such reports as are listed in the listings of contract documents as: (a) Material inducement(s) to entering into this agreement.

14 If Contractor believes that any technical data on which Contractor is entitled to rely is inaccurate on any physical condition uncovered or revealed at the site differs materially from that indicated, reflected or referred to in the contract documents, the Contractor shall, promptly after therewith, notify Owners and their soils engineer and / or other experts in writing about the inaccuracy or difference.

15 The Owners soils engineer and / or other experts will promptly review those pertinent conditions to determine the necessity of obtaining additional explorations or tests with respect thereto and advise Owners in writing (with copy of Contractor) of its findings and conclusions.

16 If Owners soils engineer and / or other experts conclude that there is a material error in the contract documents or that because of newly discovered conditions a change in the contract documents is required, a change order will be issued to reflect and document the consequences of the inaccuracy or difference.

17 In each such case, an increase or decrease in the contract price or an extension or shortening of the contract time or any combination thereof, will be allowable to the extent that they are attributable to any such inaccuracy or difference.

## 18 CHARGES AND LIENS

The Contractor shall pay all such charges incurred by it for labor and materials used in the construction of the project as they become due. Should Contractor fail to pay any such charge, the Owners may pay the same on behalf of the Contractor and shall be reimbursed by the Contractor for the payment on request. The Owners, however shall not be entitled by means of assignments or otherwise to collect from Contractor any greater amount under this paragraph than the amount actually paid by Owners in settlement or discharge of any such charge for labor and materials. Owners may credit or offset said sum against other monies that may be due per this contract.

## 19 EXAMINATION BY CONTRACTOR

The Contractor has, by careful examination, ascertained:

- (a) the nature and location of the project;
  - (b) the conformation of the ground on which the project is to be erected;
  - (c) the character, quality, and quantity of the materials, equipment and facilities necessary to complete said project;
  - (d) the general and local conditions pertaining to the project; and
  - (e) all other matters which in any way can affect the performance of this contract by the Contractor.
- Contractor enters this contract solely because of the results of the examination and not because of any representations pertaining to the project or the completion thereof made to it by the Owners and not contained in this contract.

## **20 INDEMNITY AGREEMENT**

Contractor shall indemnify and hold the Owners and the property of the Owners free and harmless from any and all claim, losses, damages, injuries, and liabilities arising from the death or injury of any person or persons, or from the damage or destruction of any property or properties, caused by or connected with the performance of this contract by Contractor, his agents, subcontractors or employees.

## **21 WORKERS COMPENSATION INSURANCE AND GENERAL LIABILITY INSURANCE**

Contractor, at its own cost and expense, shall procure and maintain during the continuance of this contract: (1) a policy of workers compensation or employers liability insurance for the protection of its employees, including executive, managerial, and supervisory employees, engaged in work on the project; (2) a policy of general liability insurance in the minimum amount of \$2,000,000.00 and shall on demand, deposit a certificate evidencing the policies with the Owners.

## **22 SUBCONTRACTORS INSURANCE**

Contractor shall require each subcontractor employed by him to perform labor on the project to procure and maintain, at the subcontractors own cost and expense, during the performance of the labor a policy of workers compensation or employers liability insurance for the protection of the subcontractors employees, including executive, managerial, and supervisory employees, engaged in work on the project, and to deposit with Contractor a certificate satisfactory to Contractor evidencing that insurance.

## **23 FIRE INSURANCE**

Owners shall provide proof of an existing policy or, at their own cost and expense, shall procure promptly after execution of this contract a policy of fire insurance with course of construction, vandalism, and malicious mischief clauses attached, insuring the project and all materials delivered to the site of the project for their full insurable value with loss thereunder payable to Owners, any beneficiary of a deed of trust encumbering the property on which the project is located.

## **24 DESTRUCTION OF PROJECT**

Should the project or any part thereof be destroyed by fire, theft, vandalism, accident, act of God, or other cause not the fault of Contractor, any work done or materials furnished by Contractor in restoring or rebuilding the project shall be paid for by owners as extra work performed by Contractor pursuant to paragraph # 4 of this contract.

## **25 POWER TO TERMINATE CONTRACT**

Should Owners fail to pay to Contractor within fourteen (14) days after it becomes due any amount payable by Owners to contractor pursuant to this contract may be given seven (7) days written notice thereof to Owners terminated its services under this contract, stop work on project, and uses all lawful means, including without limitation actions by labor & Contractors associations induced by Contractor, to prevent further work from being done on the project until past payments have been received by Contractor and Owners have posted a bond satisfactory to Contractor for the payment of all amounts that will thereafter become due to Contractor under this contract.

Should Contractor fail to perform, Owners may make demand on Contractor for specified performance. Should Contractor fail to complete performance within 72 hours of Owners dispatch of written demand, Owners may terminate this contract forthwith.

## **26 UNAVOIDABLE DELAYS AND DEFAULTS**

Either party, Contractor or Owners, shall be excused for any delays or default by that party in the performance of this contract unavoidably caused by the act of the other, the act of any agent of the other, the act of any governmental authority, the act of any public enemy, acts of God, the elements of war, war defense conditions, litigation, strikes, walkouts, or other causes beyond that party's control. Each party shall use reasonable diligence to avoid any such delay or fault and to resume performance under this contract as promptly as possible after any such delay or default.

## **27 NOTICE OF COMPLETION**

Owners shall execute, acknowledge, and record in the manner provided by law a notice of completion of the project within thirty (30) days after final inspection and approval of the project as fully completed by the relevant municipal and statutory authorities.

## **28 FINAL PAYMENT UPON COMPLETION**

Final payment constituting the unpaid balance of the cost of the project and the Contractor's fee shall be paid in full when project is substantially completed and ready for occupancy and all lien releases from all persons who supplied any material or labor to said job have been delivered to Owners along with waiver of lien rights by Contractor and final approval / sign off has been obtained from Los Angeles Dept. of Bldg & safety and Contractor has completed "pick up list" prepared by Owners.

## **29 DATE OF COMPLETION**

The project will be deemed substantially completed when ready for occupancy, final inspection and written approval has been received from the relevant municipal and / or official agencies, application for a certificate of occupancy has been filed and Owners have signed off on a written inspection report to be provided by Contractor the partys hereto specifically agree that if Owners should fail or refuse to sign off

on the written inspection report, then the project will be deemed to have been completed at the earlier date of: 1. The date of the filing with the county clerk of a notice of completion on the project by Owners. 2. upon actual occupancy of the project by the Owners.

**30 RETAINER**

A retainer amounting to \$1,000.00 or ten (10) percent of the value of this contract, whichever is less, is due to Contractor upon execution of this agreement by Owners. This payment shall be applied as a credit to Contractor's first billing to Owner.

**31 MEDIATION**

In the event of any proposed litigation, arising for any reason, the Owner agrees to enter into mediation to determine if any complaint actually involves the Contractor. The Owner or his representative and the Contractor shall agree upon a professional mediation service to conclude whether or not the litigation involves the Contractor.

**CONSTRUCTION LENDER**

The following name(s) and address(es) of the construction lender(s) for the above project are provided by Owners pursuant to California Civil Code Section 3097 (m):. Contractor not responsible for delays caused by lender or lender paperwork.

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY BY THE  
CONTRACTORS STATE LICENSE BOARD. ANY QUESTIONS CONCERNING A CONTRACTOR  
MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS STATE LICENSE BOARD  
3132 BRADSHAW ROAD, SACRAMENTO, CALIFORNIA. MAILING ADDRESS P. O.  
BOX 26000, SACRAMENTO, CALIFORNIA 95826.

**Note: Please initial all pages of this contract.**

**Owner:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Owner:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Contractor:** \_\_\_\_\_

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

ROBERT M PAGAN CONSTRUCTION COMPANY  
CALIFORNIA CONTRACTORS LICENSE # 509594