

XYZ PAINTING

COMMERCIAL PAINTING TIME & MATERIALS PROPOSAL/CONTRACT

XYZ Painting
"When you need it done right!"
 4444 Fifth St., Suite 666
 Lancaster, CA 93535
 Phone (661) xxx-xxxx
 Cell (661) xxx-xxxx
 Ca. Contr. Lic. #000000

Owner's Name: JOHN Q. CUSTOMER		Owner's Address: 949 GRANT ST			
Owner's City: BENICIA	Owner's Zip Code: 94510	Owner's Home Phone: 707-747-4735	Owner's Work Phone: 800-820-5656		
Project Address: 747 BOEING ST, SUITE 757		Project City: CONCORD	Project Zip Code: 94556	Project Phone: 510-015-1111	Date: 8-10-03
Construction Fund Holder Name (If any): Bank Of America		Construction Fund Holder Address: 121 Big Bucks Drive		Construction Fund Holder City, State, Zip: Auburn, CA 99999	

I/WE, the Owner(s) of the premises described above authorize XYZ Painting, hereinafter referred to as "Contractor", to furnish all materials and labor necessary to paint and/or improve these premises in a good, workmanlike and substantial manner according to the following terms, specifications and provisions:

a. Description of the work and the materials to be used: Repaint the above home using Sears Weatherbeater as per the bid proposal dated 8-1-03 which becomes a part of this contract.

This list of specifications may be continued on subsequent pages (see page number below).

b. Payment: Contractor proposes to perform the above work subject to any additions and/or deductions pursuant to authorized change orders. Owner will pay Contractor the "Cost of The Work", as defined in the attached addendum to this contract, plus a fixed percentage fee of 20 % of the cost of all work as compensation for Contractor's profit and overhead. The term "Cost of The Work" is defined as all costs incurred by Contractor in the proper performance of the work as described above in section "a" and will include all items listed in the "Cost of The Work" addendum to this contract.

Contractor will submit all supporting documentation to Owner and invoice owner for progress payments as follows:

Invoice and documentation for payment will be submitted by Contractor to Owner on Thursday of each week and Owner will make progress payment to Contractor on the next day which is the following Friday of that week. The amount of each progress payment shall be calculated by adding up the total Cost of Work which has been performed during that payment period and adding the fixed percentage fee for Contractor's profit and overhead. The total of these two amounts will be due Contractor each Friday.

c. Commencement and Completion of Work: Commencement of work shall mean the physical delivery of materials onto the premises and/or the performance of any labor and commencement shall be subject to permissible delays as described in provision (5) on the reverse side.

Approximate Start Date: 8-21-03

Approximate Completion Date: 9-21-03

d. Acceptance: This contract is approved and accepted. I (we) understand there are no oral agreements or understandings between the parties of this agreement. The written terms, provisions, plans (if any) and specifications in this contract is the entire agreement between the parties. Changes in this agreement shall be done by written change order only and with the express approval of both parties. Changes may incur additional charges.

Additional Provisions Of This Contract Are On The Reverse Side And May Be Continued On Subsequent Pages (see page number below).

approved and accepted (owner/agent)

date

approved and accepted (owner/agent)

approved (contractor)

date

OWNER/AGENT, see the "Arbitration of Disputes" provision on page two (provision 15) and the NOTICE following this provision. If you agree to arbitration, initial on the line below the NOTICE where indicated. Also, initial in the same place on EACH COPY of this contract.

NOTE: This contract may be withdrawn after 30 days from 8-10-03 if not approved and signed by both parties.

ADDITIONAL PROVISIONS- Unless otherwise specified herein, the following additional provisions are expressly incorporated into this contract:

1. Contract, Plans, Specifications, Permits and Fees. The work described in this contract shall be done according to the plans and the plan specifications (if any) except in the case of conflict when the provisions of this contract shall have control over both the plans and the plan specifications. All required building permits will be paid for by owner and obtained by Contractor. All other charges, taxes, assessments, fees etc., of any kind whatsoever, required by any government body, telephone or utility company or the like shall be paid for by Owner.

2. Installation. Contractor has the right to subcontract all or any part of the work herein.

3. Change Orders. Should Owner, construction lender, or any government body or inspector require any modification to the work covered under this contract, any cost incurred by Contractor shall be added to the contract price as extra work and Owner agrees to pay Contractor his normal selling price for such extra work. All extra work as well as any other modifications to the original contract shall be specified and approved by both parties in a written change order. All change orders shall become a part of this contract and shall be incorporated herein.

4. Owner's Responsibility: Insurance etc. Owner is responsible for the following: (1) to see that all necessary water, electrical power, access to premises, and toilet facilities are provided on the premises. (2) to provide a storage area on the premises for equipment and materials. (3) to relocate and protect any item that prevents Contractor from having free access to the work areas such as but not limited to clothing, automobiles, draperies, appliances, fixtures, plants. In the event that Owner fails to relocate such items, Contractor may relocate these items as required but in no way is Contractor responsible for damage to these items during their relocation and during the performance of the work. (4) to obtain permission from the owner(s) of adjacent property(ies) that Contractor must use to gain access to the work areas. Owner agrees to be responsible and to hold Contractor harmless and accept any risks resulting from the use of adjacent property(ies) by Contractor. (5) to correct any existing defects which are recognized during the course of the work. Contractor shall have liability for correcting any existing defects such as, but not limited to, dry rot, structural defects or code violations. (6) to maintain property insurance with Fire, Course of Construction, all Physical Loss with Vandalism and Malicious Mischief clauses attached, in a sum at least equal to the contract price, prior to and during performance of this contract. If the project is destroyed or damaged by an accident, disaster or calamity, or by theft or vandalism, any work or materials supplied by Contractor in repainting or restoring the project shall be paid for by Owner as extra work.

5. Delay. Contractor shall not be held responsible for any damage occasioned by delays resulting from: work done by Owner's subcontractors, extra work of owner or owner's agent including failure of owner to make timely progress payments or payments for extra work, shortages of material and/or labor, bad weather, fire, strike, war, governmental regulations, or any other contingencies unforeseen by Contractor beyond Contractor's reasonable control.

6. Surplus Materials and Salvage. Any surplus materials left over from this contract has been completed are the property of Contractor and will be returned by same. No credit is due Owner on returns for any surplus materials because this contract is based upon a complete job. All salvage resulting from work under this contract is the property of Contractor.

7. Cleanup & Advertising. Upon completion, and after removing all debris and surplus materials, wherever possible, Contractor will leave premises in a neat, broom clean condition. Owner hereby grants to Contractor the right to display signs and advertise at the job site for the period of time starting at the date of signing of this contract and continuing uninterrupted until fourteen (14) days past the date the job is completed and payment in full has been made. Owner grants Contractor the right to publish the project street address on a "references" list which may be given to prospective customers.

8. Method of Paint Application & Paint Colors. Owner authorizes Contractor to use any method of paint application that Contractor deems appropriate, whether it be brush, pad, roller, spray or a combination thereof. Where colors and sheen factors are to be matched, Contractor shall make reasonable efforts to do so but does not guarantee a perfect match. At the written request of Owner, Contractor shall provide a sample of any paint for approval by Owner. If Owner does not request a paint sample, Contractor is authorized to apply manufacturer's standard paint as identified in this contract and is not responsible for any differences between the manufacturer's color chart and the paint as it is applied.

9. Hazardous Substances. Owner understands that Contractor is not qualified as a Hazardous Material Handler or Inspector or as a Hazardous Material Abatement contractor. Should any hazardous substances as defined by the government be found to be present on the premises, it is the Owners' responsibility to arrange and pay for abatement of these substances.

10. Right to Stop Work and to Withhold Payment on Labor and Materials. If any payment is not made to Contractor as per this contract, Contractor shall have the right to stop work and keep the job idle until all past due progress payments are received. Contractor is further excused by Owner from paying any material, equipment and/or labor suppliers or any subcontractors (hereinafter collectively called "suppliers"), during the period that Owner is in arrears in making payments to Contractor for bills received during that same period. If these same "suppliers" make demand upon Owner for payment, Owner may make such payment on behalf of Contractor and Contractor shall reimburse Owner for this amount at such time that Owner becomes current with Contractor for all past due payments. Owner is responsible to verify the true amounts owed by Contractor to these same "suppliers", prior to making payment on behalf of Contractor. Owner shall not be entitled, under any circumstances, to collect as reimbursement from Contractor any amount greater than that exact amount actually and truly owed by Contractor to these same "suppliers", for work done or materials supplied on Owner's job.

11. Collection. Owner agrees to pay all collection fees and charges including but not limited to all legal and attorney fees that result should Owner default in payment of this contract. Overdue accounts are subject to interest charged at the rate of 10% per annum.

12. Legal Fees. In the event litigation arises out of this contract, prevailing party(ies) are entitled to all legal, arbitration, and attorney fees. The court shall not be bound to award fees based on any set, court fee schedule but shall if it so chooses, award the true amount of all costs, expenses and attorney fees paid or incurred.

13. Limitations. No action arising from or related to this contract, or the performance of this contract, shall be started by either party against the other more than two years from either the date of completion or the date of cessation of work under this contract. This limitation applies to all actions of any character. Negligent misrepresentation or unintentional concealment shall not extend this limitation.

14. Notice. Any notice required or permitted under this contract may be given by ordinary mail at the address of both parties contained on page one of this contract. This address may be changed from time to time by written notice given by one party to the other. After a notice is correctly posted and deposited in the mail it shall be deemed received by the other party after one (1) day.

15. Arbitration of Disputes. Any controversy or claim arising out of or relating to this proposal/contract, or the breach thereof, shall be settled by arbitration in accordance with the applicable Construction Industry Arbitration Rules of the American Arbitration Association which are in effect at the time the demand for arbitration is filed. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any arbitration award shall be subject to correction and/or vacation for the reasons stated in the Code of Civil Procedure. The arbitrator shall award reasonable attorneys fees and expenses to the prevailing party. After being given due notice, should any party fail to appear at or participate in the arbitration proceedings, the arbitrator shall make an award based upon the evidence presented by the party(ies) who do (does) appear and participate. Notwithstanding Contractor's right to arbitrate, Contractor does not waive any of

NOTICE: By including in the space below you are agreeing to have any dispute arising out of the matters included in the "arbitration of disputes" provision decided by neutral arbitration as provided by California law and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. By initialing in the space below you are giving up your judicial rights to discovery and appeal, unless those rights are specifically included in the "arbitration of disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the Business and Professions Code or other applicable laws. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "arbitration of disputes" provision to neutral arbitration.

I Agree to Arbitrate: _____
(Initials of Owner)

I Agree to Arbitration _____
(Initials of Contractor)

Contractors are required by law to be licensed and regulated by the contractors state license board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, CA 95826-0026. State law requires anyone who contracts to do construction work to be licensed by the Contractors' State License Board in the license category in which the contractor is going to be working - If the total price of the job is \$500 or more (including labor and materials). Licensed contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractors' State License Board may be unable to assist you with a complaint. Your only remedy against an unlicensed contractor may be in civil court, and you may be liable for damages arising out of any injuries to the contractor or his or her employees. You may contact the Contractors' State License Board to find out if this contractor has a valid license. The board has complete information on the history of licensed contractors, including any possible suspensions, revocations, judgments, and citations. The Board has offices throughout California. Please check the government pages of the White Pages for the office nearest you or call 1-800-321-CSLB for more information.