



feriani construction

design•development•construction • p.o. box 728 • tuolumne, ca 95379 • 209/928-4658 • license #397923

CONTRACT ARRANGEMENTS:

"Not to exceed" with negotiated cost plus billing system reduces the risk to you as well as to me, since it eliminates the problem associated with changes, you the owner request, and reduces the risk and problems that force the contractor to increase the bid profit above the actual cost of the construction. This system, since my goal is to be fair, will reduce the cost to you.

The cost breakdown listed below (see black binder, pgs. 1-4) should avoid any possible misunderstanding. I feel that a good understanding will create an ideal work environment, which is important to our successful project.

My pay:

\$36./hr while on the job
\$36./hr while working on
your project in my office

Employees' pay:

You will pay what the
employee costs me
(including insurance,
bookkeeping, etc.)
Per hour costs range from \$28-46/HR

Other job costs:

You will pay for all direct
And indirect costs related
to your job (e.g., permits,
fees, phone bills, office
materials, insurances,
travel expenses, and other
similar types of overhead)

**Materials and
Subcontractors:**

An 8% charge will be added to all material and subcontractor costs for the added responsibility of administering such activities. Several line items may not have any mark up (i.e., plans, permits, excavation, glass, cabinets, etc.). Billing for time spent overseeing, coordinating etc....will be billed.

Equipment Rental:

As in all construction firms, My equipment costs must be Recovered for future replacement.

Profit:

We will negotiate a profit percentage based on the lowest possible profit which is commensurate with the complexity of the project, expansion of my company, competitiveness in the county.

Payment:

Monthly payments are to be made after the work is completed. if bills are paid when presented, my contractor's discount will be passed on the owners. These discounts range from 2-45%.

All my books and records will be open to your inspection at any time. My experience and training will control costs and insure the best value for your money. I feel that together we will produce a quality home that will meet your wants and needs.

Sincerely,

John Feriani

The undersigned, as owner of the following described real property (address) _____ hereby contract with and authorize you as Contractor, to furnish all necessary materials, labor, and workmanship, to install, construct, and place the improvements, in accordance with the plans and specifications as attached or described on reverse which, by reference, are incorporated hereby, and in accordance with the terms set forth hereinabove.

ACCEPTANCE

The undersigned accepts the terms of the contract set forth hereinabove and agrees to faithfully perform according to the terms and conditions thereof.

DATE: _____

OWNERS

CONTRACTOR

NOTICE TO OWNER

“Under the Mechanics’ Lien Law, any contractor, subcontractor, laborer, materialman or other person who helps to improve your property and is not paid for his labor, services or material, has a right to enforce his claim against your property.

Under the law, you may protect yourself against such claims by filing, before commencing such work or improvement, an original contract for the work of improvement or a modification

thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor’s payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract.”