

Shaw, Dennis

From: Shaw, Dennis
Sent: Monday, June 04, 2007 2:48 PM
To: 'Kyle J Majchrowski'
Subject: RE: Revised lot layout for Cove
Attachments: AIA Document 3.doc; AIA Document.doc; AIA Document 2.doc

From: Kyle J Majchrowski [mailto:kmajchro@gobrainstorm.net]
Sent: Monday, June 04, 2007 3:37 PM
To: Shaw, Dennis
Subject: RE: Revised lot layout for Cove

Need the attachments. None were attached.

Kyle J. Majchrowski
Paragon Development Company
Office: 970-259-4001
Fax: 970-259-4007
Cell: 970-759-6430
www.paragondurango.com
www.lorilarge.com

From: Shaw, Dennis [mailto:DShaw@candelariacorp.com]
Sent: Monday, June 04, 2007 2:33 PM
To: Kyle J Majchrowski
Subject: RE: Revised lot layout for Cove

Kyle,
Attached are the proposed Cove Contracts. Please review and get back to me with comments as soon as possible.
Thanks,
Dennis

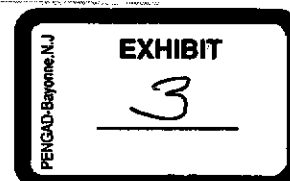
From: Kyle J Majchrowski [mailto:kmajchro@gobrainstorm.net]
Sent: Monday, June 04, 2007 2:38 PM
To: Shaw, Dennis
Subject: RE: Revised lot layout for Cove

Revised.

Kyle J. Majchrowski
Paragon Development Company
Office: 970-259-4001
Fax: 970-259-4007
Cell: 970-759-6430
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From: Shaw, Dennis [mailto:DShaw@candelariacorp.com]

1/27/2009



Sent: Monday, June 04, 2007 11:35 AM
To: Kyle J Majchrowski
Subject: RE: Revised lot layout for Cove

Kyle,
See attached scope of work.
Dennis

From: Kyle J Majchrowski [mailto:kmajchro@gobrainstorm.net]
Sent: Monday, June 04, 2007 11:46 AM
To: Shaw, Dennis
Subject: Revised lot layout for Cove

The attached is revised, Jim just mentioned that to you. Call w/questions.

2 units – Mark Zemple
10 units – Bentley and Vern
13 untis - Chas

Kyle J. Majchrowski
Paragon Development Company
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NOD32 2307 (20070604) Information

This message was checked by NOD32 antivirus system.
<http://www.eset.com>

NOD32 2307 (20070604) Information

This message was checked by NOD32 antivirus system.
<http://www.eset.com>

Agreement Between Owner and Contractor

Agreement made as of the Sixth day of June
In the year of Two Thousand Seven

Between the Owner:

Hermosa Park, LLC
48 County Road, Suite 6
Durango, CO 81301

and the Contractor:

EPC Corporation
6615 W. State Ave, Suite 2
Glendale, AZ 85301

The Project is:

The Cove Subdivision, La Plata County, Colorado – Improvements to Lots: 21
and 41.

The Designer is:

James Kreutzer
Paragon Development
48 County Road, Suite 6
Durango, CO 81301

The Owner and Contractor agree as follows.

Article 1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda, Issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents.

Article 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described below:

Contractor shall provide all material, labor, equipment, supervision and field/office management for the project known as "The Cove Subdivision, La Plata County, Colorado, improvements to Lots 21 and 41."

The work of this contract will include:

1. Modular housing units - The supply of one (1) each modular housing unit of various sizes for each of the thirteen (13) lots as scheduled below:
 - Lot 2 – 1,860 SF
 - Lot 7 – 1,794 SF

The housing units will conform to the latest version of the Uniform Building Code (UBC) and International Residential Code (IRC). The housing units will be manufactured and supplied by Summit Crest Homes of Berthoud, CO.

The contractor will be responsible for providing manufacturers drawings to the owner for approval. The shop drawings shall include at a minimum, architectural and structural details, foundation plans and engineering, finish schedules, mechanical plans and electrical plans. The buildings will be manufactured only after the owner has approved factory drawings and engineering. Additional drawings will be provided as follows:

Concrete and Structural – The contractor shall provide foundation drawings complete with details. Structural calculations for the engineering and the stamp of a licensed and registered Professional Engineer (P.E.) will be provided for each home as required for permitting. Drawings for slab on grade for porches and garages will also be provided by the contractor.

Building elevation drawings – The exterior finishes such as siding, stucco, paint, porches, wainscot, lighting fixtures, roofing colors, etc. will be provided at the direction of the owner. The owner shall select exterior finishes and the contractor will provide elevation drawings for approval.

With respect to the modular housing units the contractor shall:

- a. Arrange for and pay for the transportation of the modular units from the factory to the installation site including required State of Colorado and county permitting.
- b. Set the modular housing units on the foundations with hydraulic crane. The contractor will supply and operate a crane that is adequately sized for the weight and distance of the lifts.

- c. Tie the modular units together by lagging, strapping or bolting as recommended and approved by the manufacturer and approved by the Colorado Division of Housing.
 - d. Provide plumbing between the marriage lines of the modular sections.
 - e. Provide electrical connections between the marriage lines of the modular sections.
 - f. Provide, apply or install all exterior finishes including stucco, siding, paint, electrical fixtures, wainscot, etc.
 - g. Finish drywall/paint at marriage lines on interior of units.
2. Foundations
- a. Excavation – Contractor shall layout, survey and excavate footprint of building as required to building concrete foundations. The contractor shall remove all excess spoils to an approved location off site.
 - b. Foundations – Contractor shall supply all material including forms, reinforcement, concrete, curing compound, tie-downs, etc. for building foundations in accordance with approved structural foundation drawings.
 - c. Backfill – Contractor shall waterproof exterior foundation walls and backfill as required.
3. Site Concrete
- a. Garages – Slab on Grade (SOG)
 - b. Porches – SOG
 - c. Driveways – 4" PCC
4. Garages (Conventional construction) –
- a. Frame
 - b. Drywall, texture and paint
 - c. Roofing to match
5. Utilities – Provide from commercial source on-site including –
- a. Electrical – provide secondary power from existing on-site utility company transformer
 - b. CATV and Telephone – provide from existing pedestals on-site
 - c. Water – connect to water at existing meter boxes
 - d. Sanitary sewer – connect to existing 3" or 4" service already within lot line
6. Other Site work
- a. Final grading and drainage I.A.W. grading plan

- b. Provide irrigation and landscaping I.A.W. owner provided drawings – owner to provide plans and sod.

Article 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

Date will be fixed in a Notice-to-proceed

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than three hundred sixty five days from the date of commencement, subject to adjustments of this Contract Time as provided in the Contract Documents.

Article 4 Contract Sum

§ 4.1 The Owner shall pay the Contract Sum in the current funds for the Contractor's performance of the contract. The Contract Sum shall be: Five Hundred Eleven Thousand Five Hundred Sixty and 00/100 Dollars, (\$511,560.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 the Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

N/A

§ 4.3 Unit prices, if any, are as follows:

- Lot 21 - \$260,400
- Lot 41 - 251,160

Article 5 Payments

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§5.1.3 Provided that an Application for Payment is received by the Owner not later than the 5th day of the month, the Owner shall make payment to the Contractor not later than the 25th day of the same month. If an Application for Payment is received by the Owner after the application date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Owner receives the Application for Payment.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of zero percent (0%). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of zero percent (0%);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or Nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstance:

- .1 add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and

- .2 add, if final completion of the Work is thereafter materially Delayed through no fault of the Contractor, any additional amount payable in accordance with Section 9.10.3 of AIA Document A201-1997.

§5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

N/A

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Owner.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the certificate of occupancy and final completion from the County of La Plata.

ARTICLE 6 MISCELLANEOUS PROVISIONS

§ 6.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 6.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 6.3 The Owner's representative is:

James Kreutzer
Paragon Development
48 County Road 250, suite 6
Durango, CO 81301
(970) 259-4001

§ 6.4 The Contractor's representative is:

Dennis Shaw
EPC Corporation
6615 W. State Ave, Suite 2
Glendale, AZ 85301
(623) 934-0225

§ 6.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 6.6 Other provisions:

N/A

ARTICLE 7 ENUMERATION OF CONTRACT DOCUMENTS

§ 7.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

§ 7.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

§ 7.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

Owner (Signature)

Name & Title

Contractor (Signature)

Name & Title

Agreement Between Owner and Contractor

Agreement made as of the Sixth day of June
In the year of Two Thousand Seven

Between the Owner:

Hermosa Park, LLC
48 County Road, Suite 6
Durango, CO 81301

and the Contractor:

EPC Corporation
6615 W. State Ave, Suite 2
Glendale, AZ 85301

The Project is:

The Cove Subdivision, La Plata County, Colorado – Improvements to Lots: 2, 7,
11, 17, 18, 20, 22, 26, 29 and 31.

The Designer is:

James Kreutzer
Paragon Development
48 County Road, Suite 6
Durango, CO 81301

The Owner and Contractor agree as follows.

Article I The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda, Issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents.

Article 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described below:

Contractor shall provide all material, labor, equipment, supervision and field/office management for the project known as "The Cove Subdivision, La Plata County, Colorado, improvements to Lots 2,7,11,17,18,20,22,26,29,31,37,40 and 42."

The work of this contract will include:

1. Modular housing units - The supply of one (1) each modular housing unit of various sizes for each of the thirteen (13) lots as scheduled below:
 - Lot 2 – 1,946 SF
 - Lot 7 – 1,860 SF
 - Lot 11 – 1,758 SF
 - Lot 17 – 1,758 SF
 - Lot 18 – 1,852 SF
 - Lot 20 – 1,852 SF
 - Lot 22 – 1,852 SF
 - Lot 26 – 1,852 SF
 - Lot 29 – 1,946 SF
 - Lot 31 – 1,946 SF
 - Lot 37 – 1,946 SF
 - Lot 40 – 1,946 SF
 - Lot 42 – 1,794 SF

The housing units will conform to the latest version of the Uniform Building Code (UBC) and International Residential Code (IRC). The housing units will be manufactured and supplied by Summit Crest Homes of Berthoud, CO.

The contractor will be responsible for providing manufacturers drawings to the owner for approval. The shop drawings shall include at a minimum, architectural and structural details, foundation plans and engineering, finish schedules, mechanical plans and electrical plans. The buildings will be manufactured only after the owner has approved factory drawings and engineering. Additional drawings will be provided as follows:

Concrete and Structural – The contractor shall provide foundation drawings complete with details. Structural calculations for the engineering and the stamp of a licensed and registered Professional Engineer (P.E.) will be provided for each home as required for permitting. Drawings for slab on grade for porches and garages will also be provided by the contractor.

Building elevation drawings -- The exterior finishes such as siding, stucco, paint, porches, wainscot, lighting fixtures, roofing colors, etc. will be provided at the direction of the owner. The owner shall select exterior finishes and the contractor will provide elevation drawings for approval.

With respect to the modular housing units the contractor shall:

- a. Arrange for and pay for the transportation of the modular units from the factory to the installation site including required State of Colorado and county permitting.
- b. Set the modular housing units on the foundations with hydraulic crane. The contractor will supply and operate a crane that is adequately sized for the weight and distance of the lifts.
- c. Tie the modular units together by lagging, strapping or bolting as recommended and approved by the manufacturer and approved by the Colorado Division of Housing.
- d. Provide plumbing between the marriage lines of the modular sections.
- e. Provide electrical connections between the marriage lines of the modular sections.
- f. Provide, apply or install all exterior finishes including stucco, siding, paint, electrical fixtures, wainscot, etc.
- g. Finish drywall/paint at marriage lines on interior of units.

2. Foundations

- a. Excavation -- Contractor shall layout, survey and excavate footprint of building as required to building concrete foundations. The contractor shall remove all excess spoils to an approved location off site.
- b. Foundations -- Contractor shall supply all material including forms, reinforcement, concrete, curing compound, tie-downs, etc. for building foundations in accordance with approved structural foundation drawings.
- c. Backfill -- Contractor shall waterproof exterior foundation walls and backfill as required.

3. Site Concrete

- a. Garages -- Slab on Grade (SOG)
- b. Porches -- SOG
- c. Driveways -- 4" PCC

4. Garages (Conventional construction) –
 - a. Frame
 - b. Drywall, texture and paint
 - c. Roofing to match

5. Utilities – Provide from commercial source on-site including –
 - a. Electrical – provide secondary power from existing on-site utility company transformer
 - b. CATV and Telephone – provide from existing pedestals on-site
 - c. Water – connect to water at existing meter boxes
 - d. Sanitary sewer – connect to existing 3” or 4” service already within lot line

6. Other Site work
 - a. Final grading and drainage I.A.W. grading plan
 - b. Provide irrigation and landscaping I.A.W. owner provided drawings – owner to provide plans and sod.

Article 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

Date will be fixed in a Notice-to-proceed

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than three hundred sixty five days from the date of commencement, subject to adjustments of this Contract Time as provided in the Contract Documents.

Article 4 Contract Sum

§ 4.1 The Owner shall pay the Contract Sum in the current funds for the Contractor’s performance of the contract. The Contract Sum shall be: Three million seven hundred fifty-two thousand four hundred twenty-six and 00/100 Dollars, (\$3,752,426.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 the Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

N/A

§ 4.3 Unit prices, if any, are as follows:

- Lot 2 – \$300,404
- Lot 7 – \$287,128
- Lot 11 – \$271,382
- Lot 17 – \$271,382
- Lot 18 – \$285,893
- Lot 20 – \$285,893
- Lot 22 – \$285,893
- Lot 26 – \$285,893
- Lot 29 – \$300,404
- Lot 31 – \$300,404
- Lot 37 – \$300,404
- Lot 40 – \$300,404
- Lot 42 – \$276,940

Article 5 Payments

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 5.1.3 Provided that an Application for Payment is received by the Owner not later than the 5th day of the month, the Owner shall make payment to the Contractor not later than the 25th day of the same month. If an Application for Payment is received by the Owner after the application date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Owner receives the Application for Payment.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of zero percent (0%). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of zero percent (0%);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or Nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstance:

- .1 add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and
- .2 add, if final completion of the Work is thereafter materially Delayed through no fault of the Contractor, any additional amount payable in accordance with Section 9.10.3 of AIA Document A201-1997.

§5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

N/A

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section

12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
.2 a final Certificate for Payment has been issued by the Owner.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the certificate of occupancy and final completion from the County of La Plata.

ARTICLE 6 MISCELLANEOUS PROVISIONS

§ 6.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 6.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 6.3 The Owner's representative is:

James Kreutzer
Paragon Development
48 County Road 250, suite 6
Durango, CO 81301
(970) 259-4001

§ 6.4 The Contractor's representative is:

Dennis Shaw
EPC Corporation
6615 W. State Ave, Suite 2
Glendale, AZ 85301
(623) 934-0225

§ 6.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 6.6 Other provisions:

N/A

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§ 7.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

§ 7.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

Owner (Signature)

Name & Title

Contractor (Signature)

Name & Title

Agreement Between Owner and Contractor

Agreement made as of the Sixth day of June
In the year of Two Thousand Seven

Between the Owner:

Hermosa Park, LLC
48 County Road, Suite 6
Durango, CO 81301

and the Contractor:

EPC Corporation
6615 W. State Ave, Suite 2
Glendale, AZ 85301

The Project is:

The Cove Subdivision, La Plata County, Colorado – Improvements to Lots: 1, 3,
4, 8, 10, 12, 27, 30, 32 and 34.

The Designer is:

James Kreutzer
Paragon Development
48 County Road, Suite 6
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The Owner and Contractor agree as follows.

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Article 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described below:

Contractor shall provide all material, labor, equipment, supervision and field/office management for the project known as "The Cove Subdivision, La Plata County, Colorado, improvements to Lots 1, 3, 4, 8, 10, 12, 27, 30, 32 and 34."

The work of this contract will include:

1. Modular housing units - The supply of one (1) each modular housing unit of various sizes for each of the thirteen (10) lots as scheduled below:
 - Lot 1 – 1,794 SF
 - Lot 3 – 1,852 SF
 - Lot 4 – 1,852 SF
 - Lot 8 – 1,794 SF
 - Lot 10 – 1,534 SF
 - Lot 12 – 1,852 SF
 - Lot 27 – 1,758 SF
 - Lot 30 – 1,852 SF
 - Lot 32 – 1,852 SF
 - Lot 34 – 1,852 SF

The housing units will conform to the latest version of the Uniform Building Code (UBC) and International Residential Code (IRC). The housing units will be manufactured and supplied by Summit Crest Homes of Berthoud, CO.

The contractor will be responsible for providing manufacturers drawings to the owner for approval. The shop drawings shall include at a minimum, architectural and structural details, foundation plans and engineering, finish schedules, mechanical plans and electrical plans. The buildings will be manufactured only after the owner has approved factory drawings and engineering. Additional drawings will be provided as follows:

Concrete and Structural – The contractor shall provide foundation drawings complete with details. Structural calculations for the engineering and the stamp of a licensed and registered Professional Engineer (P.E.) will be provided for each home as required for permitting. Drawings for slab on grade for porches and garages will also be provided by the contractor.

Building elevation drawings – The exterior finishes such as siding, stucco, paint, porches, wainscot, lighting fixtures, roofing colors, etc. will be

provided at the direction of the owner. The owner shall select exterior finishes and the contractor will provide elevation drawings for approval.

With respect to the modular housing units the contractor shall:

- a. Arrange for and pay for the transportation of the modular units from the factory to the installation site including required State of Colorado and county permitting.
 - b. Set the modular housing units on the foundations with hydraulic crane. The contractor will supply and operate a crane that is adequately sized for the weight and distance of the lifts.
 - c. Tie the modular units together by lagging, strapping or bolting as recommended and approved by the manufacturer and approved by the Colorado Division of Housing.
 - d. Provide plumbing between the marriage lines of the modular sections.
 - e. Provide electrical connections between the marriage lines of the modular sections.
 - f. Provide, apply or install all exterior finishes including stucco, siding, paint, electrical fixtures, wainscot, etc.
 - g. Finish drywall/paint at marriage lines on interior of units.
2. Foundations
- a. Excavation – Contractor shall layout, survey and excavate footprint of building as required to building concrete foundations. The contractor shall remove all excess spoils to an approved location off site.
 - b. Foundations – Contractor shall supply all material including forms, reinforcement, concrete, curing compound, tie-downs, etc. for building foundations in accordance with approved structural foundation drawings.
 - c. Backfill – Contractor shall waterproof exterior foundation walls and backfill as required.
3. Site Concrete
- a. Garages – Slab on Grade (SOG)
 - b. Porches – SOG
 - c. Driveways – 4" PCC
4. Garages (Conventional construction) –
- a. Frame
 - b. Drywall, texture and paint

- c. Roofing to match
- 5. Utilities – Provide from commercial source on-site including –
 - a. Electrical – provide secondary power from existing on-site utility company transformer
 - b. CATV and Telephone – provide from existing pedestals on-site
 - c. Water – connect to water at existing meter boxes
 - d. Sanitary sewer – connect to existing 3” or 4” service already within lot line
- 6. Other Site work
 - a. Final grading and drainage I.A.W. grading plan
 - b. Provide irrigation and landscaping I.A.W. owner provided drawings – owner to provide plans and sod.

Article 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

Date will be fixed in a Notice-to-proceed

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than three hundred sixty five days from the date of commencement, subject to adjustments of this Contract Time as provided in the Contract Documents.

Article 4 Contract Sum

§ 4.1 The Owner shall pay the Contract Sum in the current funds for the Contractor's performance of the contract. The Contract Sum shall be: Two Million Five Hundred Seventy-Four Thousand Four Hundred Forty and 00/100 Dollars, (\$2,574,440.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 the Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

N/A

§ 4.3 Unit prices, if any, are as follows:

- Lot 1 - \$251,160
- Lot 3 - \$259,280
- Lot 4 - \$259,280
- Lot 8 - \$251,160
- Lot 10 - \$214,760
- Lot 12 - \$259,280
- Lot 27 - \$246,120
- Lot 30 - \$277,800
- Lot 32 - \$277,800
- Lot 34 - \$277,800

Article 5 Payments

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 5.1.3 Provided that an Application for Payment is received by the Owner not later than the 5th day of the month, the Owner shall make payment to the Contractor not later than the 25th day of the same month. If an Application for Payment is received by the Owner after the application date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Owner receives the Application for Payment.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule

of values, less retainage of zero percent (0%). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;

- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of zero percent (0%);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or Nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstance:

- .1 add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and
- .2 add, if final completion of the Work is thereafter materially Delayed through no fault of the Contractor, any additional amount payable in accordance with Section 9.10.3 of AIA Document A201-1997.

§5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

N/A

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Owner.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the certificate of occupancy and final completion from the County of La Plata.

ARTICLE 6 MISCELLANEOUS PROVISIONS

§ 6.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 6.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 6.3 The Owner's representative is:

James Kreutzer
Paragon Development
48 County Road 250, suite 6
Durango, CO 81301
(970) 259-4001

§ 6.4 The Contractor's representative is:

Dennis Shaw
EPC Corporation
6615 W. State Ave, Suite 2
Glendale, AZ 85301
(623) 934-0225

§ 6.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 6.6 Other provisions:

N/A

ARTICLE 7 ENUMERATION OF CONTRACT DOCUMENTS

§ 7.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

§ 7.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

§ 7.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

Owner (Signature)

Name & Title

Contractor (Signature)

Name & Title