

COPY

### Agreement Between Owner and Contractor

Agreement made as of the Fifth 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, 31,37, 40, and 42.

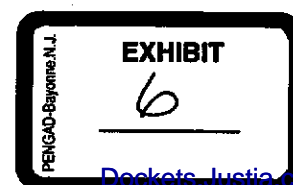
The Designer is:

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 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 Contract Sum shall be: Three million nine hundred fifty-two thousand four hundred twenty-six and 00/100 Dollars, (\$3,952,426.00), 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 – \$315,789
- Lot 7 – \$302,513
- Lot 11 – \$286,767
- Lot 17 – \$286,767
- Lot 18 – \$301,278
- Lot 20 – \$301,278
- Lot 22 – \$301,278
- Lot 26 – \$301,278
- Lot 29 – \$315,789
- Lot 31 – \$315,789
- Lot 37 – \$315,789
- Lot 40 – \$315,789
- Lot 42 – \$292,322

**Article 5 MISCELLANEOUS PROVISIONS**

§ 5.1 The Owner's representative is:

James Kreutzer  
Hermosa Park, LLC  
48 County Road 250, suite 6  
Durango, CO 81301  
(970) 259-4001

§ 5.2 The Contractor's representative is:

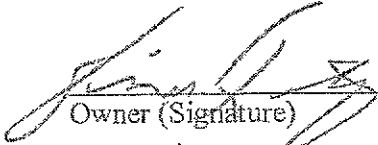
Dennis Shaw  
EPC Corporation  
6615 W. State Ave, Suite 2  
Glendale, AZ 85301  
(623) 934-0225

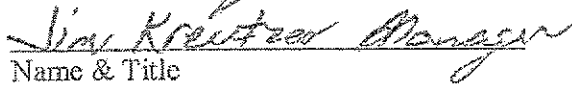
§ 5.3 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.


§ 5.4 Other provisions:

N/A

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)

DENNIS SHAW, PRESIDENT  
Name & Title