

**1.1**

**FIXED PRICE AGREEMENT**

CONTRACTOR'S NAME: THE GALLICK CORPORATION  
ADDRESS: 111-C CARPENTER DRIVE STERLING, VA 20164  
PHONE: 787-0313  
FAX: 787-9569  
LIC #: STATE 034908A COUNTY 21-3923

DATE:

OWNER'S NAME:  
ADDRESS:

PROJECT ADDRESS:

**I. PARTIES**

This contract (hereinafter referred to as "Agreement") is made and entered into on this , by and between , (hereinafter referred to as "Owner"); and THE GALLICK CORPORATION, (hereinafter referred to as "Contractor"). In consideration of the mutual promises contained herein, Contractor agrees to perform the following work:

**II. GENERAL SCOPE OF WORK DESCRIPTION**

(Additional Scope of Work page(s) attached:XXX Yes \_\_\_ No)

**LUMP SUM PRICE FOR ALL WORK ABOVE: \$**

**III. GENERAL CONDITIONS FOR THE AGREEMENT ABOVE**

**A. EXCLUSIONS**

**1. PROJECT SPECIFIC EXCLUSIONS:**

This Agreement does *not* include *materials* for the following work:

**2. STANDARD EXCLUSIONS:** Unless specifically included in the "General Scope of Work" section above, this Agreement does *not* include *labor or materials* for the following work: Plans, engineering fees, or governmental permits and fees of any kind. Testing, removal and disposal of any materials containing asbestos (or any other hazardous material as defined by the EPA). Custom milling of any wood for use in project. Moving Owner's property around the site. Labor or materials required to repair or replace any Owner-supplied materials. Repair of concealed underground utilities not located on prints or physically staked out by Owner which are damaged during construction. Surveying that may be required to establish accurate property boundaries for setback purposes (fences and old stakes may not be located on actual property lines). Final construction cleaning (Contractor will leave site in "broom swept" condition). Landscaping and irrigation work of any kind. Temporary sanitation, power, or fencing. Removal of soils under house in order to obtain 18 inches (or code-required height) of clear space between bottom of joists and soil. Removal of filled ground or rock or any other materials not removable by ordinary hand tools (unless heavy equipment is specified in Scope of Work section above), correction of existing out-of-plumb or out-of-level conditions in existing structure. Correction of concealed substandard framing. Rerouting/removal of vents, pipes, ducts, structural members, wiring or conduits, steel mesh which may be discovered in the removal of walls or the cutting of openings in walls. Removal and replacement of existing rot or insect infestation. Failure of surrounding part of existing structure, despite Contractor's good faith efforts to minimize damage, such as plaster or drywall cracking and popped nails in adjacent rooms, or blockage of pipes or plumbing fixtures caused by loosened rust within pipes. Construction of continuously level foundation around structure (if lot is sloped more than 6 inches from front to back or side to side, Contractor will step the foundation in accordance with the slope of the lot). Exact matching of existing finishes. Public or private utility connection fees. Repair of damage to roadways, driveways, or sidewalks that could occur when construction equipment and vehicles are being used in the normal course of construction.

**B. DATE OF WORK COMMENCEMENT AND SUBSTANTIAL COMPLETION**

Commence work: , Construction time through substantial completion: Approximately , not including delays and adjustments for delays caused by: inclement weather, accidents, additional time required for Change Order Work, and other delays unavoidable or beyond the control of the Contractor.

## **C. CHANGE ORDERS: CONCEALED CONDITIONS AND ADDITIONAL WORK**

**1. CONCEALED CONDITIONS:** This Agreement is based solely on the observations Contractor was able to make with the structure in its current condition at the time this Agreement was bid. If additional concealed conditions are discovered once work has commenced which were not visible at the time this proposal was bid, Contractor will stop work and point out these unforeseen concealed conditions to Owner so that Owner and Contractor can execute a Change Order for any Additional Work.

**2. DEVIATION FROM SCOPE OF WORK:** Any alteration or deviation referred to in this Agreement involving extra costs of materials or labor (including any overage on **ALLOWANCE** work and any changes in the Scope of Work required by governmental plan checkers or field building inspectors) will be executed upon a written Change Order issued by Contractor and will be signed by Contractor and Owner prior to the commencement of Additional Work by the Contractor. Job phase will be on hold until Owners signature is received.

Change orders will be charged at material costs plus % and carpenters labor at \$ an hour and subcontractor trade extras will be charged at billing plus %. A 50% deposit will be required for change orders over \$1,000.00 with the deposit due with Owners signature on Change Order.

Contractor to supervise, coordinate, and charge % profit and overhead on Owner's separate Subcontractors who are working on site at same time as Contractor. Contractor's profit and overhead, and any supervisory labor will not be credited back to Owner with any deductive Change Orders (work deleted from Agreement by Owner).

## **D. PAYMENT SCHEDULE AND PAYMENT TERMS**

### **1. PAYMENT SCHEDULE:**

- First Payment: \$ Due when Agreement is signed and returned to Contractor:

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PLEASE SEE DRAW SCHEDULE (draw schedule will be enclosed)

- Final Payment: The final contract payment is due and payable upon "Substantial Completion" [not Final Completion] of all work under contract. "Substantial Completion" is defined as being the point at which the Building/Work of Improvement is suitable for its intended use, or the issuance of an Occupancy Consent,

or final building department approval from the city or county building department, whichever occurs first.

- **Hold Back from Final Payment for Punch List Work:** At time of making the final contract payment, Owner may hold back 150% of the value of all Punch List work. Owner and Contractor will place a fair and reasonable value on each Punch List item at time of Punch List walk-through with Owner. Contractor and Owner will then execute the Punch List form. This 150% hold back for Punch List work assures Owner that all Punch List work will be completed by Contractor in a timely manner.

Final Payment: \$

Payment due at time of submittal. A 1 1/2% per month finance charge, annual percentage rate of 18% will apply to invoices not paid within ten days of invoicing.

**2. PAYMENT OF CHANGE ORDERS:** Payment for each Change Order is due at payment of next scheduled draw payment and submittal of invoice by Contractor.

**3. ADDITIONAL PAYMENTS FOR ALLOWANCE WORK AND RELATED CREDITS:** Payment for work designated in the Agreement as **ALLOWANCE** work has been initially factored into the Lump Sum Price and Payment Schedule set forth in this Agreement. If the actual cost of the **ALLOWANCE** work exceeds the line item **ALLOWANCE** amount in the Agreement, the difference between the cost and the line item **ALLOWANCE** amount stated in the Agreement will be written up by Contractor as a Change Order subject to Contractor's profit and overhead at the rate of %.

If the cost of the **ALLOWANCE** work is *less* than the **ALLOWANCE** line item amount listed in the Agreement, a credit will be issued to Owner after all billings related to this particular line item **ALLOWANCE** work have been received by Contractor. This credit will be applied toward the final payment owing under the Agreement. Contractor profit and overhead and any supervisory labor will *not* be credited back to Owner for **ALLOWANCE** work.

#### **E. WARRANTY**

Contractor provides a limited warranty on all Contractor- and Subcontractor-supplied labor and materials used in this project for a period of one year following substantial completion AFTER OWNER SIGN OFF OF PUNCH LIST of all work.

Contractor follows the Residential Construction Performance Guidelines for the repair of punch out and warranty work. A copy is included and becomes part of this contract.

No warranty is provided by Contractor on any materials furnished by the Owner for installation. No warranty is provided on any existing materials that are moved and/or reinstalled by the Contractor within the dwelling (including any warranty that existing/used materials will not be damaged during the removal and reinstallation process). One year after substantial completion of the project, the Owner's sole remedy (for materials and labor) on all materials that are covered by a manufacturer's warranty is strictly with the manufacturer, not with the Contractor.

Repair of the following items is specifically excluded from Contractor's warranty: Damages resulting from lack of Owner maintenance; damages resulting from Owner abuse or ordinary wear and tear; deviations that arise such as the minor cracking of concrete, stucco and plaster; minor stress fractures in drywall due to the curing of lumber; warping and deflection of wood; shrinking/cracking of grouts and caulking; fading of paints and finishes exposed to sunlight.

**THE EXPRESS WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE. THIS LIMITED WARRANTY EXCLUDES CONSEQUENTIAL AND INCIDENTAL DAMAGES AND LIMITS THE DURATION OF IMPLIED WARRANTIES TO THE FULLEST EXTENT PERMISSIBLE UNDER STATE AND FEDERAL LAW.**

**F. WORK STOPPAGE, TERMINATION OF CONTRACT FOR DEFAULT, AND INTEREST**

Contractor shall have the right to stop all work on the project and keep the job idle if payments are not made to Contractor in accordance with the Payment Schedule in this Agreement, or if Owner repeatedly fails or refuses to furnish Contractor with access to the job site and /or product selections or information necessary for the advancement of Contractor's work. Simultaneous with stopping work on the project, the Contractor must give Owner written notice of the nature of Owner's default and must also give the Owner a 14-day period in which to cure this default.

If work is stopped due to any of the above reasons (or for any other material breach of contract by Owner) for a period of 14 days, and the Owner has failed to take significant steps to cure his default, then Contractor may, without prejudicing any other remedies Contractor may have, give written notice of termination of the Agreement to Owner and demand payment for all completed work and materials ordered through the date of work stoppage, and any other loss [IE. CONTRACTOR LABOR AND MATERIAL PERTAINING TO OWNERS PROJECT] sustained by Contractor, including Contractor's Profit and Overhead at the rate of % on the balance of the incomplete



Date

OWNER'S SIGNATURE