

Investor Services, LLC  
120 State Ave., NE #1408  
Olympia, WA 98501  
(360) 628-8112 – Phone  
(360) 628-8113 – Fax

**CONSTRUCTION CONTRACT AGREEMENT**

**GENERAL CONTRACTOR:**

Investor Services, LLC  
120 State Ave., NE #1408  
Olympia, WA 98501

**Owner:**

TAJ 2 LLC  
3412 Sleater Kinney RD NE  
Olympia WA 98506

**JOBSITE ADDRESS:**

**1. CONTRACT DOCUMENTS**

The Contract Documents shall consist of the following component parts:

- A. This Construction Contract Agreement;
- B. All plans and drawings;
- C. Any and all subsequent Change Orders

**2. AGREEMENT PRICE:**

Owner agrees to pay to the Contractor for the performance of the work specified in Paragraph 25 the sum of \$1,524,319.32 plus sales tax at the rate of 9.3% in the amount of \$ \$137,188.74 for a total investment of \$1,661,508.06. Total investment is subject to additions and deletions for changes in the work as may be mutually agreed upon by the parties from time-to-time in writing in the form of a Change Order. Total investment will be adjusted at completion of work to reflect any differences in actual cost of Allowance items.

**3. METHOD OF PAYMENT:**

Upon acceptance of the contract, a down payment of \$250,000.00

All subsequent payments shall be based upon progress draws mutually agreed to.

Any Change Order work executed can be billed separately.

The Owner may hold back from the final payment an amount which the Owner and Contractor reasonably believe to be the estimated cost of correcting or completing the work identified on the single punch list, to be paid upon the Contractor's corrections of the work, completion of final miscellaneous work, and final cleaning of the premises. There shall be no holdback for warranty work. The Owner and Contractor shall assign a specific dollar amount to each item on the punch list, deduct this amount from the final balance owing to the Contractor as per the Contractor's final invoice, and Owner shall pay the balance of the contract price to the Contractor at the time that the Owner delivers the signed written punch list to the Contractor.

**4. COMMENCEMENT AND PROGRESS OF WORK**

If this Agreement is accepted by the Owner within the time specified, the Contractor estimates he shall make application for required permits on the project within 30 days of the signed Agreement, and actual work to begin within 30 days of issuance of the building permit. Project is estimated to

be completed within 30 days after starting the actual work. While the Contractor shall, at all times, conscientiously proceed with the work, the estimated time to complete this project is only for the benefit of Owner's general planning. The Contractor shall not be held responsible for any financing cost or other consequential cost incurred by the Owner due to delays stated below. Nor will the Contractor be in breach of contract if the time of completion exceeds the originally estimated time. Contractor shall not be responsible for delays caused by strikes, accidents, unavailability of materials timely ordered, bad weather, or any other delay beyond its control. If the Owner fails to execute a responsibility (see listed in Paragraph 26) in a timely fashion as necessary for Contractor to maintain steady, uninterrupted progress, a Change Order shall result, the completion date may be extended and additional charges may be incurred for each day the Owner delays the Contractor. The completion date may be extended by mutual agreement or automatically in the case of a change Order, which calls for additional time.

**5. CHANGE ORDERS:**

The price stated in Paragraph 2 is based on an initial visual inspection of the location where the work is to be performed and review of the submitted plans and drawings. The extent of work pertains only to the items known to need repair, restoration, and replacement as specified. As the structure is in need of repair and is of an older building standard and techniques, it may not meet current building codes, in such cases updates may be required by the municipality of the job site address. In addition there may be insect, water, or rot damage causing structural, roof, wall, floor, plumbing, and electrical components are exposed. In any case, if additional work is requested or required, it will be reviewed with the Owner, and upon Owner's consent executed at an additional cost as specified per a written Change Order or; additional work will be billed on a time and material basis and a Notice to Proceed Time and Material form will be reviewed and signed by the Owner prior to work being performed. The price to execute Change Order work will be the sum of: labor (\$65.00 per hour), materials, subcontractors, other items (disposal fees, equipment rental, etc.), and a 30% gross profit margin (margin shall not be applied to the labor portion of the Change Order work), and sales tax. All Change Orders shall automatically extend the completion date by a minimum of 10 days each unless stated differently in each Change Order. Request for Change Orders will be submitted to the Contractor either verbally or in writing along with a processing fee of \$200.00 to cover cost of generating the Change Order. The Contractor may, at his discretion, refund a portion or the entire fee when the Change Order is accepted.

**6. COST ALLOWANCE ITEMS:**

The price stated in Paragraph 2 contains Cost Allowance items. A Cost Allowance is an arbitrary estimated amount, usually based on conjectures and/or subjective choices, established for a particular facet of the total job when exact specifications for the particular facet of work are not available and/or are subject to change as work on the total job progresses. Cost Allowances are established in order to develop an approximate total beginning budget amount in face of such possible variations. A Cost Allowance amount may vary up or down as information on unknown facets of the job develop and/or according to future decisions as definitive choices become necessary in order to maintain continuous progress. A Cost Allowance does not guarantee any specific level of quality and/or quantity. A Cost Allowance amount is not a guaranteed minimum or maximum amount. In the event that execution of a particular facet of work may exceed a Cost Allowance amount, a Change Order reflecting the final difference in price to complete the facet of work will be required' the Change Order price will include a 30% gross profit margin applied to the hard cost to the Contractor from the supplier or subcontractor.

**7. CONTRACTORS REGISTRATION STATUTE;**

Contractor certifies that they are a registered General Contractor pursuant to R.C.W. 18.27 and meet all of the requirements stated therein. Contractor's State License Number is: INVESL832C3

**8. DEFAULT:**

Owner is in default of this Agreement if he/she fails to pay pursuant to Paragraph 3 of this Agreement, as set forth herein, or otherwise breaches this agreement. Contractor is in default if he fails to perform any of the specified work or Change Order work in a workmanlike manner, or otherwise breaches this agreement, or if he fails to meet the scheduled completion date pursuant to Paragraph 4 of this Agreement, plus any extensions of time required as a result of Change Order work pursuant to Paragraph 5 of this Agreement, or due to delays beyond the Contractor's control.

**9. NOTICE OF DEFAULT**

Owners may serve Notice of Default on Contractor by personally delivering said Notice in writing to any company owner at the jobsite or by certified mail to the above address. After Notice of Default, Contractor shall have 14 days in which to cure said Default and/or obtain a written release/acceptance from the Owners or the Owners shall have the rights as set forth below. Contractor may serve Notice of Default on Owners by personally delivering said Notice in writing to Owner s, any person employed by Owners, any person related to the Owners at the Jobsite, certified mail to either the above address or any other address at which the Owners reside, or at the Owner's place of employment. After Notice of Default, Owners shall have seven days in which to cure said Default and obtain a written release/acceptance from the Contractor, or Contractor shall have the rights as set forth below.

**10. REMEDIES ON DEFAULT:**

Contractor's Remedy: Upon an uncured default following notice as set forth above, the Contractor shall have the right to terminate the Agreement, recover all actual costs incurred on the project, plus related overhead, plus all profit including that which remains in the incomplete portion of the Agreement prior to the Default. Costs will be determined by actual invoices, and in the absence of invoices, by the Contractor's cost estimate.

Owner's Remedy. The Owner shall have the right to complete the work not previously done by contracting for its completion with a licensed General Contractor who is in no way affiliated with or related to the Owner, and to charge *Investor Services, LLC* a sum not to exceed that described in Paragraph 2, less the value of the work previously completed by *Integrity Construction Services, LLC*. Owner must obtain at least three written bids for arbiter's approval

**11. ARBITRATION:**

Owner and Contractor mutually agree that any disputes, controversies, or claims arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration within not less than 14 days Notice of Default by either party in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgments upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbiter on this Agreement shall be a single arbiter as chosen by the presiding judge for the Superior Court of Thurston County, Washington, and their decision shall be final and binding to both parties. If the amount of the dispute exceeds \$3,000.00 additional time shall be given upon good cause shown and with the consent of the

arbiter for preparation of either party's case. Any decision reached by the Arbiter shall be registered as a judgment pursuant to R.C.W. Ch. 7.04 et seq., and shall be set aside on review only upon showing that said decision was arbitrary and capricious.

**12. ATTORNEY FEES**

The prevailing party in any litigation concerning this agreement shall be awarded its reasonable attorney's fees and costs, including expert witness fees.

**13. ACCEPTANCE OF AGREEMENT:**

This Agreement must be mutually accepted by; 12/1/2019 or the Agreement may be subject to changes or withdrawal at the Contractor's discretion.

**14. LATE CHARGES:**

Contractor shall be entitled to a late charge of 18% annually of the unpaid balance 30 days late.

**15. AVAILABILITY OF PARTIES:**

An on-site meeting shall be held upon either party's request by appointment, to discuss any concerns or questions that either party may have. The contract price does not include more than a normal allotment of hours for communications between the Contractor or Contractor's Representative and the Owner during the progress of work. The Contractor has allotted one (1) hour, on site, per week to discuss any concerns or questions prepared in advance of such meetings to prevent going over the allotted time.

**16. INSURANCE:**

The Owners shall at all times during the progress of the work maintain property insurance against loss or damage by fire, theft, and/or vandalism, the policies to cover all work incorporated in the building, and all materials for the same in or about the premises, and to be made payable to the parties hereto, as their interest may appear. Copies of such shall be given to the Contractor upon entering into this Agreement.

**17. STORAGE OF MATERIALS/EQUIPMENT:**

Contractor shall be allowed to store any materials and/or equipment anywhere on the job site, as he deems necessary. All flammable chemicals stored on site will be stored in such a manner as to not create a fire hazard and comply with local fire code.

**18. CLEANLINESS AND SAFETY:**

The Contractor shall from time-to-time, as is reasonable, or in the interest of safety, remove accumulated debris and waste materials from the premises, and upon completion of the work called for in this Agreement leave the premises in a broom clean and orderly condition. All work will be conducted in accordance with accepted safety standards, including equipment and work practices, and will be supervised by qualified personnel. In order to provide for an unencumbered workplace, Contractor will move certain building components desired to be retained by the Owner to a storage area on site, but away from the immediate work area. Owner will be responsible for designating in

writing, which salvageable components are to be retained and stored, for the convenience of the Contractor to determine what shall be disposed of or otherwise.

**19. WORK HOURS / DAYS:**

Contractor may work any hours and any days of the week that he deems necessary unless noted otherwise in this agreement, or restricted by local ordinance. If Owner has any religious objections, Contractor will adjust a new Agreement accordingly. All meetings between Contractor or Contractor's Representative and Owner shall occur during normal business days, Monday through Friday, between the hours of 8:00 am – 5:00 pm.

**20. DISCREPANCIES:**

In the case of any discrepancies between this Agreement and any plans that may exist, specifications in this Agreement shall prevail.

**21. LIEN NOTICE:**

As required by Washington State law, this is legal notice that *Investor Services, LLC* is supplying labor and/or materials to the Owner at the address listed above. *Integrity Construction Services, LLC* will lien said property in the event of non-payment of this contract. This is only a notice to satisfy the laws as they are written, and is not meant to imply that such a lien will occur.

**22. WARRANTY PERIOD:**

The warranty period, unless otherwise stated, is two years from the date of completion, occupancy, or the final closing statement, whichever occurs first. Any warranty claims must be made in writing; however, a phone call would also be appreciated. Individual items and/or material may have their own warranties for longer periods of time. Contractor will pass on to the Owner product warranty documentation and manuals, as available from the manufacturer. Owner shall be responsible for registering warranty documentation with the manufacturer.

**23. HOLD HARMLESS:**

Owner agrees to hold Contractor harmless from any actions brought against Contractor by a third party arising from Contractor performing as per this Agreement, provided that Contractor's performance is acting and in compliance with local and state codes.

**24. VALIDITY OF AGREEMENT:**

If any part of this Agreement is found not to be in conformity with the laws of this state, then only that part which violates the law shall be struck, and all other parts shall remain valid and binding.

**25. SPECIFICATIONS FOR WORK TO BE PERFORMED:**

*Details described in construction drawings and budget breakdown as mutually agreed.*

**General Specifications.** All workmanship shall conform to the guidelines found in the publication *Residential Construction Performance Guidelines for Professional Builders and Remodelers. Third Edition.* National Association of Builders and remodelers, 2005. If an item is not covered in that publication, standard industry practice shall govern.

**Clean Up.** Final removal and disposal of all construction related debris. *Building materials removed from the work area during demolition, which will not be reused to complete the project, may be retained by the Owner or donated to refuse recyclers. All new materials supplied by the Contractor will be retained by the Contractor if not installed in the completed project. The Contractor shall, remove accumulated debris and waste materials from the premises, and upon completion of the work called for in this Agreement leave the premises in a broom clean and orderly condition. Unless otherwise specified in the contract, detailed cleaning, vacuuming and dusting are the Owner's responsibilities.*


**26. OWNER RESPONSIBILITIES:**

- A. Provide clear means of egress and ingress of property.
- B. Available access to bathroom facilities, electric and water to include GFCI circuits, which may be located inside the house.
- C. Sign and date all construction plans.
- D. All utility bills during construction
- E. Remove all personal belongings from the work area. *If Owner does not remove all personal belongings from the work area, Contractor is held harmless for any damage that may occur to belongings.*
- F. Choose colors, patterns, and styles for appropriate items in accordance with written schedule.
- G. All landscape repair due to construction.


**CONSTRUCTION CONTRACT AGREEMENT ACCEPTANCE**

This is the complete Agreement and I certify that I have carefully read same and understand the contents thereof or have had the opportunity to consult with persons who could inform me and answer any questions that I may have. The said parties for themselves, their heirs, successors, executors, associates, administrators and assigns, do hereby agree to the full performance of the covenants herein contained. In the case of joint Ownership, Contractor asks that all parties sign respectively:

As Proposed for Investor Services, LLC.

  
3/28/2021 9:14:58 PM PDT  
Approved and entered into for  
Investor Services, LLC

12-1-2019  
Date

  
3/28/2021 9:13:19 PM PDT  
Approved by Owner

12-1-2019  
Date

Approved by Owner

Date

**NOTICE TO CUSTOMER**

This contractor is registered with the State of Washington, Registration # INTEGCS924LF as a general contractor and has posted with the State a bond or cash deposit of \$12,000.00 for the purpose of satisfying claims against the Contractor for negligent or improper work or breach of contract in the conduct of the Contractor's business. The expiration date of this Contractor's registration is 06/06/2012.

**THIS BOND OR CASH DEPOSIT MAY NOT BE SUFFICIENT TO COVER A CLAIM WHICH MIGHT ARISE FROM THE WORK DONE UNDER YOUR CONTRACT.**

This bond or deposit is not for your exclusive use because it covers all work performed by this contractor. The bond or deposit is intended to pay valid claims up to \$12,000.00 that you and other customers, suppliers, subcontractors, or taxing authorities may have.

**FOR GREATER PROTECTION, YOU MAY WITHHOLD A PERCENTAGE OF YOUR CONTRACT.**

You may withhold a contractually defined percentage of your construction contract as retainage for a stated period of time to provide protection to you and help insure that your project will be completed as required by your contract.

**YOUR PROPERTY MAY BE LIENED.**

If any supplier of materials used in your construction project or any employee of the contractor or subcontractor is not paid by the contractor or subcontractor on your job, your property may be liened to force payment and you could pay twice for the same work.

**FOR ADDITIONAL PROTECTION, YOU MAY REQUEST THE CONTRACTOR TO PROVIDE YOU WITH ORIGINAL "LIEN RELEASE" DOCUMENTS FROM EACH SUPPLIER OR SUBCONTRACTOR ON YOUR PROJECT.**

The Contractor is required to provide you with further information about lien release documents if you request it. General information is also available from the department of Labor and Industries.

I have received a copy of this disclosure statement.

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Date



	ADDRESS	SQ'			
	204 4th Ave W	19200			
QTY	ITEM/ACTIVITY	LABOR	MATERIALS	SUBS/OTHER	Total
28	Demolition	\$ 16,800.00	\$ -		\$ 20,160.00
23	Debris (1 Dump trailer)		\$ -	\$ 12,650.00	\$ 15,180.00
110	Rough Carpentry	\$ 38,500.00	\$ 20,000.00		\$ 70,200.00
30	Exterior repairs	\$ 10,500.00	\$ 8,000.00		\$ 22,200.00
	Windows	\$ -	\$ -	\$ 54,000.00	\$ 64,800.00
9	Entry doors	\$ 3,150.00	\$ 1,800.00		\$ 5,940.00
0	Roof Repair	\$ -	\$ -	\$ 8,000.00	\$ 9,600.00
	Electric Service	\$ -		\$ 135,000.00	\$ 162,000.00
124	Electric Rough	\$ 64,480.00	\$ 28,800.00		\$ 111,936.00
24	Electric Trim	\$ 12,480.00	\$ 12,000.00		\$ 29,376.00
20	Plumbing Rough		\$ 19,200.00	\$ 42,000.00	\$ 73,440.00
28	Plumbing Trim	\$ 16,800.00	\$ 24,000.00		\$ 48,960.00
BID	Drywall	\$ -	\$ -	\$ 84,000.00	\$ 100,800.00
96	Finish Carpentry	\$ 33,600.00	\$ 20,000.00		\$ 64,320.00
Sq'	Interior Paint		\$ -	\$ 26,880.00	\$ 32,256.00
Sq'	Exterior Paint		\$ -	\$ 34,560.00	\$ 41,472.00
Sq'	Flooring		\$ -	\$ 48,000.00	\$ 57,600.00
Sq'	Cleaning		\$ -	\$ 3,456.00	\$ 4,147.20
BID	Cabinets (Materials only)		\$ 38,400.00		\$ 46,080.00
BID	Counters		\$ 19,200.00		\$ 23,040.00
BID	Hardware/Materials		\$ 12,000.00		\$ 14,400.00
96	Punch Out Labor	\$ 33,600.00	\$ -		\$ 40,320.00
2	Water Heaters	\$ 2,600.00	\$ -	\$ 2,400.00	\$ 6,000.00
20	Miscellaneous Repairs	\$ 5,000.00	\$ 5,000.00		\$ 12,000.00
20	HVAC	\$ 7,000.00	\$ 4,200.00		\$ 13,440.00
	Revisions to Gas Piping	\$ -		\$ 12,250.00	\$ 14,700.00
	Asbestos Abatement			\$ 24,670.00	\$ 29,604.00
	Fire and Sprinkler sytem			\$ 36,000.00	\$ 43,200.00
	Fire escapes			\$ 26,000.00	\$ 31,200.00
	Historical Consulting			\$ 6,858.34	\$ 8,230.01
	Drafting			\$ 3,200.00	\$ 3,840.00
	Engineering			\$ 4,453.00	\$ 5,343.60
	Construction loan interest and fees			\$ 162,901.89	\$ 195,482.27
	Utilities during construction			\$ 33,455.00	\$ 40,146.00
	Property Taxes			\$ 20,769.94	\$ 24,923.93
	Insurance			\$ 31,651.93	\$ 37,982.32
	<b>TOTALS</b>	\$ 244,510.00	\$ 212,600.00	\$ 813,156.10	\$ 1,524,319.32
	Sub Total	\$ 1,524,319.32			
	Tax	\$ 137,188.74			
	Total	\$ 1,661,508.06			

Scope:

<b>General Description:</b>
A complete strip to the studs renovation
23 completely renovated apartments
6 commercial spaces, 4 of which are fully renovated
<b><u>To Include:</u></b>
<b><u>All new:</u></b>
Electric wiring including new individually metered service.
Plumbing supply and waste lines
Fire sprinkler system
Drywall
Windows
Flooring
Cabinetry
Plumbing fixtures
Electric fixtures
Fire control/alarm system
water heaters
Common area finishes
Interior paint
Doors and trim
Appliances
Exterior paint and repairs
Awnings
Signage
Lighting
Removal of old boiler and individually heated units
suspended ceilings in hallways
4 fully remodeled commercial spaces

**CONSTRUCTION LIENS:**

**WHAT YOU SHOULD KNOW ABOUT CONTRACTS**

Washington laws require contractors and lending institutions to give you this notice if your contract price exceeds \$1,000.00 (RCW 18.27.114(2) and RCW 60.04.255). This notice explains the basics of the construction lien law to help you protect yourself. This notice is not a reflection upon the abilities or credit of your contractor.

If you are dealing with a lending institution, ask your loan office what procedure the institution follows to verify that subcontractors and material suppliers are being paid when mortgaging money is paid to your contractor. Request lender supervision when dealing with a lending institution that provides interim or construction financing. See RCW 60.05.200-210.

You may ask the contractor to disclose all potential lien claimants as a condition of payment.

You or your lender can, instead of making progress payments only to your contractor, make numerous jointly payable checks to the contractor and the various subcontractors and suppliers as work progresses. There may be an additional cost from your lender for this service.

For additional cost, you may request your contractor to post a performance bond. This will give you recourse in the event the contractor fails to complete the building agreement. This will increase the price of the construction project.

If you enter into a contract to buy a newly build home, you may not receive a notice of a lien based on a claim by a contractor or material handler. Be aware that a lien may be claimed even though you have not received a notice. You may want to ask your contractor or title insurance company about an ALTA title insurance policy based upon the receipt of lien waivers.

When in doubt, or if you need more details, consult your attorney.

Acknowledgement of receipt:

Property Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Contractor's Representative: \_\_\_\_\_ Date: \_\_\_\_\_

This notice was approved by the State Attorney general's office and the State Department of Labor and Industries, Building and Construction Safety Inspection services Division, for reproduction by lending institutions and contractors for distribution to their clients in meeting the information material required by RCW 60.04.250 and RCW 18.27.114(2).