**CONSTRUCTION AGREEMENT**

**"Let’s Build your ADU Together"**

**Project Address:** John Vo  
**Project Type:** Detached ADU  
**Date of Agreement:** 4/3/2025   
**Contractor License #:** 1029392

**PARTIES TO THIS AGREEMENT**

**Contractor:**  
Anchor Builders  
2911 W Cubbon Street  
Santa Ana, CA 92704  
**Phone**: 714-975-9089   
**Email**: hello@anchorbuilders.io  
**Website**: www.anchorbuilders.io

**Owner (Client):**  
John Vo  
9677 Shamrock Avenue  
Fountain Valley, CA 92708  
**Phone**: 714-724-4701  
**Email**: Jvo32@hotmail.com

**1. SCOPE OF WORK**

Contractor agrees to provide labor, materials, and coordination necessary to construct the project as specified at the address listed above. Details of work to be performed are outlined in **Exhibit A: ADU Construction Proposal** sent via email on 4/1/2025, which is attached to and forms part of this agreement.

**2. CONTRACT PRICE**

The total contract amount is **$260,500**, as defined in the attached **ADU Construction Proposal.**

**3. ESTIMATED TIMELINE**

The project is estimated to take approximately 8-10 months from the start of the contract. The following schedule is approximate and subject to change:

* Design: within 21 days
* Permitting & Approvals: 3-4 months
* Construction: 4-6 months
* Final Inspections & Completion: 8-10 months

Delays caused by the city, weather, labor/material shortages, or other conditions beyond Contractor's control shall not be considered a breach of this agreement.

**4. PAYMENT SCHEDULE**

In compliance with California law, the down payment will not exceed $1,000 or 10% of the total contract price, whichever is less. Payments will be made according to the following schedule below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| |  |  |  |  | | --- | --- | --- | --- | | **Payment** | **Milestone** | **Amount** | **Due Date** | | #1 | Construction Deposit | $ 1,000 | Upon Signing | | #2 | ADU Design Deposit | $12,500 | Upon Signing | | #2 | Mobilization | $ 50,000 | Upon start of construction (Day 1 on-site) | | #3 | Trenching & Underground Plumbing | $ 50,000 | Upon passing Underground Plumbing inspection | | #4 | Foundation | $ 50,000 | Upon passing Foundation inspection | | #5 | Framing | $ 30,000 | Upon passing Framing inspection | | #6 | Mechanical, Electrical, Plumbing (MEP) | $ 25,000 | Upon passing MEP inspection | | #7 | Drywall | $ 23,000 | Upon passing Drywall inspection | | #8 | Property Final | $ 11,000 | Upon passing Final Inspection | |  |  |  |

Invoices will be sent at the completion of each milestone and are due within two (2) days. Failure to pay on time may result in suspension of work.

**5. CHANGE ORDERS**

Any changes to the scope of work, materials, layout, or finishes must be requested in writing. All changes will be documented in a formal Change Order that includes:

1. Description of the change
2. Cost impact (additional or reduced)
3. Schedule impact (if any)

All Change Orders must be signed by both parties before work begins and will be paid in advance of execution.

**6. CALIFORNIA-SPECIFIC REQUIREMENTS**

**Right to Cancel**

You, the Owner, have the legal right to cancel this contract within three (3) business days from the date of signing. Cancellation must be submitted in writing.

**Permits & Approvals**

All necessary permits will be obtained by Anchor Builders. The cost of building / city permits are not included the contract price. Delays in permitting are not the responsibility of the Contractor.

**Commercial General Liability Insurance & Workers' Compensation Insurance**

Contractor carries Commercial General Liability and Worker’s Compensation Insurance and is up to date on its policy. Proof of insurance is available upon request.

**7. WARRANTIES**

Contractor provides a one (1) year warranty on workmanship, beginning from the date of final inspection. This warranty covers defects in installation and workmanship. It does not cover damage from normal wear and tear, misuse, neglect, lack of proper maintenance, or alterations made after completion.

Manufacturer warranties on materials and equipment will be provided to Owner upon project completion.

**8. OWNER RESPONSIBILITIES**

Owner agrees to:

* Provide reasonable access to the property during normal working hours
* Make timely decisions regarding selections when requested
* Make payments according to the schedule
* Secure valuables and personal property
* Provide utilities necessary for construction (water, electricity)

**9. DISPUTE RESOLUTION**

Both parties agree to make good faith efforts to resolve any disputes that may arise. If a dispute cannot be resolved through direct discussion:

1. **Mediation:** The parties will first attempt to resolve the dispute through mediation with a mutually agreed-upon mediator.
2. **Arbitration/Litigation:** If mediation is unsuccessful, disputes will be resolved in accordance with California law. Jurisdiction shall be in Orange County, California.

**10. TERMINATION**

**By Owner**

After the three-day cancellation period, if Owner terminates this agreement, Owner shall pay Contractor for:

* All work completed to date
* Materials ordered or purchased
* Reasonable overhead and profit on work completed
* Reasonable demobilization costs

**By Contractor**

Contractor may terminate this agreement if:

* Owner fails to make payment when due
* Owner fails to perform obligations under this agreement
* Circumstances beyond Contractor's control make completion impossible

**11. ENTIRE AGREEMENT**

This document, including all attached exhibits, constitutes the entire agreement between Contractor and Owner. No oral agreements or representations not included here are binding.

**12. SIGNATURES**

By signing below, Owner and Contractor agree to all terms and conditions in this agreement and acknowledge receipt of a copy of this contract.

**OWNER:**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**CONTRACTOR:**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ATTACHMENTS:** Exhibit A – ADU Construction Proposal