

# DESIGN/BUILD PROPOSAL & CONTRACT

*(Valid for 30 days)*

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April 27, 2023  
Contract AS50526

## ENGINEERED FOUNDATION WOOD STILT REPLACEMENT W/ ROT REPAIR & ENGINEERED FOUNDATION SEISMIC RETROFIT DESIGN BUILD

### PROPOSED SCOPE OF WORK:

Is for the design, engineering, blueprints for the future construction by Alpha Structural, Inc. to structurally shore the rear (south facing) section of the house and replace all (5) rotted structural columns (stilts) supporting two stories above. includes replacing sections of rot in the cripple walls and retrofitting the raised section by sheathing the cripple walls and bolting the foundation. Includes repairing section of concrete foundation for the walkway at N.E entryway to east section of house and stairway to backyard.

### INCLUDES:

- Design, structural engineering and plans for as described above including shoring and replacement of rotted support columns and retrofit of foundation system.
- Coordination and expediting with City Grading and Building Departments for clearances, plan check and ascertaining structural and geotechnical requirements (Soils Report Submission, Permit/ Plan Checking Fees not included).
- Full drafting and plans for submittal and construction sets.
- All permit expediting and coordination necessary for the acquisition of permits for the aforementioned project for construction by Alpha Structural.

**Contract price:** \$6,850.00 Down Payment: \$600.00

O: 323-258-5482  
F: 323-344-9366

alphastructural.com  
info@alphastructural.com

8334 Foothill Blvd.  
Sunland, CA 91040

**Schedule of payments:**

Amount:	Due on:
\$2,800.00	Commence
\$2,800.00	Plans Ready to Submit
\$ 650.00	Plan Complete

**EXCLUDES:**

City permit and plan check fees, geotechnical report, surveying, architectural services and M.E.P. plans, cosmetic work such as painting, stucco or drywall replacement, landscaping repairs or upgrades of any kind, deputy and/or special inspection fees or any additional scope of work not outlined in the contract above.

See Notices, Terms and Conditions.

Payment C.O.D. upon pay schedule items being complete.

The down payment may not exceed \$ 1,000.00 or 10 percent of the contract price, whichever is less.

**\* PRELIMINARY COST ESTIMATES PRIOR TO ENGINEERING OR CITY APPROVAL:**

For informational purposes only, preliminary *STRUCTURAL AND GRADING* cost projections are being roughly estimated for client budgeting purposes, based on experience with similar projects in the area. These costs are not fixed or binding, and are subject to change based on engineering, plan checking and city requirements as well as extent of damage revealed, involvement of Code Enforcement or Grading Agencies or existing conditions specific to this site. These estimates do not consider cosmetic upgrades or repairs, M.E.P., finishes, remodeling, or renovations. Preliminary construction costs are estimated as follows:

Engineered structural column (stilt) replacement and shoring: \$150,000.00 +/-

Engineered Foundation Seismic Retrofit: \$20,000.00 +/-

N.E Stairway foundation and walkway repair: \$20,000.00 +/-

East Stairway Removal and Replacement: \$75,000.00 +/-

Precise construction costs can only be determined once seismic analysis is complete to determine which exact areas are being retrofitted or if exemption is obtained, and the analysis is reviewed by the City. Every effort will be made in design to facilitate efficiency in time, design and ultimately costs.

**ACKNOWLEDGEMENT OF DESIGN/ BUILD PROPOSAL:** This is a design/ build contract agreement – a contract for retaining Alpha Structural, Inc. for both proprietary and specialized engineering services and subsequent specialized construction services for deepened foundation underpinning, structural/ foundation repairs/modifications, and interior pile-supported foundations. The purpose of this Design/Build Contract is for the development of permit-able plans

for the explicit use only by Alpha Structural, Inc. to construct all structural and grading scopes of work. Initial here: [ ]

Owner shall pay Engineer/ Contractor the fixed sum listed above as Contract Price for the work performed under this contract, subject to additions and deductions pursuant to change orders agreed upon in writing by the parties.

The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. It is against the law for a contractor to collect payment for work not yet completed, or for materials not yet delivered. However, a contractor may require a down payment.

This Contract and its attachments constitute the entire agreement between the parties. There are no other agreements, oral or written, pertaining to the work to be performed under this Contract. This Contract can be modified only by an agreement in writing signed by the parties.

You are entitled to a filled in copy of this agreement, signed by both you and the contractor/agent before any work may be started. Owner acknowledges receipt of a complete, signed, and legible copy of this Contract: [ ]

The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a copy of Attachment "B", 'Notice of the Three-Day Right to Cancel': [ ]

Notice of Cancellation may be mailed to the address at the bottom of the contract. See attachment B Notice of Three-Day Right to Cancel.

### ACCEPTANCE OF CONTRACT

I have read and understand this contract; the documents incorporated into this contract and agree to all terms and conditions.

By: \_\_\_\_\_ Date: Apr 27, 23 X: \_\_\_\_\_ Date: Apr 27, 2023

*Contractor/Salesman's Signature*

*Property Owner/Owners Agents Signature*

Individual who negotiated this contract:

**Evan Beattie**  
Phone: 747-229-5575  
Email: evan@alphastructural.com  
Alpha Structural, Inc.  
General Engineering Contractors - Structural Engineers  
State License # 663409  
List of Documents to be incorporated into this Contract:  
Attachment A  
Attachment B

**CONSUMER NOTICES, TERMS AND CONDITIONS**

**CONTRACT, PLANS AND SPECIFICATIONS.** The contract, plans and specifications are intended to supplement each other in case of conflict; however, the plans shall have control over the specifications, and the provisions of this contract shall control both.

**PLANS, SPECIFICATIONS AND PERMITS.** The project will be constructed according to contract and specifications which have been examined by the owner. Building permits and expediting fees shall be paid for by owner unless otherwise specified on proposal page. Owner will pay assessments and charges required by public bodies and utilities as apply. Owner shall pay for geotechnical fees, special inspection fees, engineer fees unless otherwise stated on preceding page.

**NOTE ABOUT EXTRA WORK AND CHANGE ORDERS.** Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments.

**EXTRA WORK AND CHANGE ORDERS ALSO APPLY TO ENGINEERING.** If Owner, Owner's architect or any of Owner's agents requests a change in the design, engineering or scope of work which will change the work originally contracted for, a change order will be prepared and signed by the parties prior to commencement of any new work, as covered above.

If Owner or his agents or any public body or inspector directs any modification or addition to the work covered by this Contract, the Contract Price and time of performance shall be adjusted accordingly. Payments for extra work shall be made as the work progresses, concurrently with progress payments.

Work or expenses necessitated as a result of Contractor encountering conditions at the Project site which

- a) are subsurface or otherwise concealed conditions which differ materially from those indicated in the plans and specifications, or in the event work was necessitated to maintain job progress (i.e. added foundation depth, detail changes, required excavation, etc.). Expense incurred because of adverse ground conditions whether expressed in the Soils Report or not such as fill, hard soil, rock or ground water (hard soil is defined as material unable to be excavated by conventional auger bit using equipment in use at time of construction or for hand excavation, less than 1 cubic yard removed per man per day) shall be paid for by owner as extra work. Casing of holes, de-watering or other added work shall be extra work.
- b) are unusual and differ materially from those ordinarily encountered on construction activities of the kind described in the plans and specifications, shall be deemed extra work and shall be paid for by Owner in accordance with this Paragraph.

Contractor shall not be required to perform any extra or change-order work without prior written authorization of Owner, but Contractor shall be entitled to be paid for extra work whether authorization is given in writing or not. Signed change orders shall be incorporated into and become a part of this Contract.

**PERMITS AND TESTS:** Unless otherwise agreed to in writing by both parties, the Contractor shall procure the necessary permits for the work. Owner shall pay the governmental fees and Contractor's charges for said permits. If any tests or inspections are required by the plans and specifications or by the orders of any public authority having jurisdiction, Owner agrees to procure said tests and inspections and to pay all costs and fees associated with them.

**EMERGENCY OR CATASTROPHIC SITUATION:** In the event of an imminent emergency, catastrophic or unpreventable situation wherein Contractor is unable to reach Owner, Contractor may perform extra work and shall be entitled to be paid for work.

**RIGHT TO STOP WORK:** Contractor shall have the right to stop work if any payment, including any payment for extra work, is not made to Contractor as agreed in this Contract. If any payment required under this Contract is not made when due, Contractor may keep the Project idle until such time as all payments due have been made.

**PERMISSIBLE DELAYS:** Contractor shall be excused from any delay in the completion of the work to be performed under this Contract caused by acts of God, inclement weather, acts or omissions of Owner or of Owner's agents, employees or independent contractors, material shortages, strikes or other labor troubles, acts of public utilities, acts of public bodies or inspectors (unless related to defects in Contractor's performance), extra work, changes requested by Owner, failure by Owner to make payments promptly, or other circumstances or contingencies unforeseen by Contractor and beyond Contractor's reasonable control.

**LABOR AND MATERIAL.** Contractor shall pay all valid charges for labor and material incurred by contractor and used in the construction of the project but is excused by owner from this obligation for bills received in any period during which owner is in arrears in making progress payments to the contractor.

Should contractor fail to make payments required under this paragraph, owner may make such payments on behalf of contractor, and contractor shall reimburse owner for the amount actually paid on demand, but owner shall not, by means of assignment or otherwise be entitled to collect any greater amount from contractor than the amount actually paid for labor and material under this paragraph.

No waiver or release of mechanics lien given by contractor shall be binding until all payments due to contractor when the release was executed have been made.

**COSMETIC WORK.** No cosmetic work whatsoever shall be undertaken unless expressly written on previous page under "Includes". Cosmetics, for the purposes of this agreement, include stucco, paint, concrete color matching, siding, doors, windows, moldings, hardwood flooring, carpeting, plants, landscaping or hardscape, plaster cracks or other damage caused by house jacking, dry wall repairs, brick work or stonework.

**FURTHER EXCLUSIONS** include but are not limited to damage to sidewalks, walkways, streets, curbs, caused by construction, added depths of foundations, as-builts, topo map, electrical, low voltage wiring, plumbing, HVAC or duct work, planters, acoustic ceiling, additional design/correction details, relocating plumbing, installing City required gas shut off valves, sewage, electrical and any connected fees, inspection reports, damage to personal property or property contents.

**HOUSE/ BUILDING JACKING.** Raising floor planes is an inexact means of correcting settled floors visually. "Level" is not the standard but rather an approximation of 1" drop in 20 linear feet and this is only a guide and may not be achieved. The effort is a flatter looking floor, not a "level" floor.

**OWNER INDEMNIFICATION:** The Contractor hereby agrees to hold the Owner harmless and to indemnify the Owner against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of the Contractor, its agents or employees.

**CONTRACTOR INDEMNIFICATION:** The Owner hereby agrees to hold the Contractor harmless and to indemnify the Contractor against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of the Owner, its agents or employees.

**OWNER'S RIGHT TO REQUIRE BOND:** Owner has the right to require Contractor to have a performance and payment bond. The expense of such bond may be borne by Owner.

#### **WORKERS' COMPENSATION INSURANCE**

This contractor carries workers' compensation insurance for all employees.

**FINAL INSPECTION.** It is possible that the Final Inspection is linked to work outside the scope provided by Alpha Structural, Inc., such as stucco or other work. In this case, it is only the completion of work as expressed by this agreement that needs to be complete to execute final payment.

**CLEAN-UP.** Upon completion of the work, contractor will remove debris and surplus material from owner's property and leave it in a neat and broom-clean condition unless otherwise stated in this contract. Contractor is not responsible for dust that may permeate home typical in the nature of construction and owner is forewarned that potential cleaning of the home may be necessary by self.

**TAXES AND ASSESSMENTS.** Taxes and special assessments of all descriptions will be paid for by owner.

**NOTICE.** Any notice required or permitted under this contract may be given by ordinary mail at the address contained in this contract, but such address may be changed by written notice given by one party to the other from time to time. After a notice is deposited in the mail postage prepaid it shall be deemed received in the ordinary course of the mails.

**ESCROW ACCOUNT:** As applicable, Alpha Structural, Inc. reserves the right to require that a separate fund control or escrow account be established to guarantee funding of said project at owner's expense.

#### **INTEREST CHARGES FOR LATE PAYMENTS**

Payments are COD as work progresses and final payment of completion of work. Interest will be billed at 10% per annum, calculated daily for any late payments.

#### **DESIGN AND BUILD**

Alpha Structural is a design and build firm—meaning we design and build our engineering work. We do not do engineering for other projects that are not built by Alpha. If client signs and pays for a design/build proposal and contract with Alpha, and then Alpha

produces the design, Alpha will build the work designed. Client then decides not to proceed with a build contract with Alpha, the design produced by Alpha remains the property of Alpha, and the client waives any right to such design.

**CITY CODE CHANGES**

The costs and requirements of City Code Changes are excluded from this Contract.

**PRICING CHANGES:** The Proposal pricing is subject to change at the discretion of Alpha Structural, Inc., after 90 days of non-acceptance of Contract by Owner.

**REMEDIAL WORK:** If this project is for a remedial scope of work, the following applies:

It should be noted that this project is considered remedial and voluntary in nature and is not intended to upgrade the entire structure to current code requirements. The attempt is to improve a pre-existing condition where factors such as owners' budget and severity of damage have been considered in this effort.

As this work is being proposed in lieu of more significant work and financial costs including Geotechnical Soils Reports and significantly larger scopes of work/costs, we agree on a remedial approach to this project based on your needs and wants.

**MECHANICS LIEN WARNING:**

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder. Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit. To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

**BE CAREFUL.** The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices. You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

**PROTECT YOURSELF FROM LIENS.** You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

**PAY WITH JOINT CHECKS.** One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier. For other ways to prevent liens, visit CSLB's Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov) or call CSLB at 800-321-CSLB (2752). **REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME.** This can mean that you may have to pay twice or face the forced sale of your home to pay what you owe.

**RELEASE OF MECHANICS' LIENS:** Upon satisfactory payment being made for any portion of the work performed, Contractor shall, prior to any further payment being made, furnish to Owner a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the California Civil Code, for that portion of the work for which payment has been made.

**BANKRUPTCY.** If either party becomes bankrupt, or makes an assignment for the benefit of creditors, the other party has the right to cancel this contract.

**ATTORNEY FEES.** If either party becomes involved in litigation arising out of this contract or the performance thereof, the court in such litigation, or in a separate suit, shall award reasonable costs and expenses, including attorney fees to the party justly entitled thereto. In awarding attorney fees, the court will not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses and attorney fees paid or incurred in good faith.

**MEDIATION.** Unless otherwise agreed upon by the parties in writing, any controversy arising out of the construction of the project referred to in this contract shall be subject to a good faith mediation conducted by and in accordance with the rules of the American Arbitration Association. Mediation shall take place prior to the commencement of arbitration, but in no event later than (60) days after the first demand for arbitration is filed by one of the parties. Mediation shall be governed by the confidentiality requirements contained

in California Evidence Code Section 1152.5. Should mediation fail, the parties shall arbitrate their dispute according to the terms of Section 17b, *intra*, but unless otherwise agreed by the parties, the arbitrator shall not be the same person who conducted the mediation.

**PROHIBITION OF ASSIGNMENT.** Contractor may not assign this contract or payment due under this contract to any other party without the written consent of owner.

**ARBITRATION.** Any controversy arising out of the construction of the project referred to in this contract or regarding the interpretation of this contract shall be subject to arbitration in accordance with the applicable Construction Industry Arbitration Rules of the American Arbitration Association which are in effect at the time the demand for arbitration is filed. Should any party refuse or neglect to appear or participate in an arbitration proceeding, the arbitrator is empowered to decide the controversy in accordance with whatever evidence is presented. The arbitrator is authorized to award any party or parties such sums as he or she shall deem proper for the time, expense and trouble of arbitration.

Contractor agrees that its subcontractors will contain an arbitration provision providing that any controversy arising out of the construction of the project referred to in this contract shall be subject to arbitration by and in accordance with the applicable Construction Industry Arbitration Rules of the American Arbitration Association which are in effect at the time the demand for arbitration is filed. Contractor agrees that by subcontract it will require its subcontractors to agree, upon request of Owner or Contractor, to join as parties to arbitration pursuant to this agreement, between Owner and Contractor, and to issue only sub-subcontracts which contain like provisions, as to its subcontractors.

#### ARBITRATION OF DISPUTES.

**NOTICE: BY SIGNING THE CONTRACT YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY SIGNING THE CONTRACT, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.**

**CONTRACTORS REQUIRED TO BE LICENSED:** Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

#### INFORMATION ABOUT THE CONTRACTOR'S STATE LICENSE BOARD (CSLB):

CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact the CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information: Visit CSLB's Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov); Call CSLB at 800-321-CSLB (2752)

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**ATTACHMENT B**

**NOTICE OF THREE-DAY RIGHT TO CANCEL**

You, the buyer, have the right to cancel this contract within (3) three business days.

You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the (3<sup>rd</sup>) third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, via email to [info@alphastructural.com](mailto:info@alphastructural.com) or hand deliver to Alpha Structural, Inc., at 8334 Foothill Blvd. Sunland, CA. 91040.

I hereby cancel this transaction.

(SIGN ONLY IF CANCELLING)

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

Buyer's Name: \_\_\_\_\_

Buyer's signature: \_\_\_\_\_

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F: 323-344-9366

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