

XYZ CONTRACTORS

COST OF WORK ADDENDUM

XYZ Contractors
 "When you need it done right!"
 4444 Fifth St., Suite 666
 Lancaster, CA 93535
 Phone (661) xxx-xxxx
 Cell (661) xxx-xxxx
 Ca. Contr. Lic. #000000

Project Owner's Name: JOHN Q. CUSTOMER	Brief Description of Project residential service upgrade	
Project Address 747 BOEING STREET	Project City CONCORD	Project Zip Code 95768

This is an addendum to that certain contract briefly described above between XYZ Contractors, hereinafter referred to as "Contractor", and the project owner named above which is dated 8-10-00.

THE "COST OF THE WORK" INCLUDES THE FOLLOWING:

1. LABOR COSTS: All wages of construction workers directly employed by Contractor to perform the work described in the contract will be paid by the Rate Schedule below. This rate schedule is the actual amount of contractor's expense for each employee after factoring in wages, state, local, and federal taxes, medical, dental and retirement benefits, bonuses, disability and workers compensation insurance, wage based liability insurance, etc.

Rate Schedule for Personnel

Employee	Rate	Employee	Rate
<u>Thomas Jones</u>	<u>\$27.50</u>	<u>Jim Jones</u>	<u>\$27.50</u>
<u>Bill Bailey</u>	<u>\$27.50</u>		
<u>John Dancer</u>	<u>\$22.50</u>		
<u>Johnny Ring</u>	<u>\$24.50</u>		
<u>Matt Dillon</u>	<u>\$19.50</u>		
<u>Randall Scott</u>	<u>\$17.50</u>		

2. SUPERVISORY AND OTHER LABOR COSTS: Supervisory labor costs incurred by Contractor for any off-site labor involved in the coordination of the work or for any off-site job related meetings directly relating to the performance of the work is a part of the Cost of The Work. This off-site time will be billed to Owner and shall not exceed 12 hours per week at the rate of \$77.50 per hour unless the off-site meeting or coordination is requested by Owner or is otherwise agreed to in writing. All bookkeeping work involved in the calculation and preparation of documents and invoices for payment from Owner is a part of the Cost of The Job which will be billed to Owner at the rate of \$47.50 per hour and shall not exceed 4 hours per payment period.

3. LABOR COSTS FOR THE TIME SPENT PICKING UP MATERIALS AND PREPARING FOR WORK: All time spent by Contractor and his employees at building material stores and lumber yards, including travel time in both directions, to pick up materials is a part of the Cost of The Work. All time spent by Contractor and his employees in preparing for work by moving tools and equipment onto the job site and away from the job site is a part of the Cost of The Work.

4. COST OF MATERIALS USED IN THE PERFORMANCE OF THE WORK: Any materials purchased by Contractor for the project is a part of the Cost of The Work and materials purchased during a payment period will be included in the amount of the invoice given to Owner by Contractor for that progress payment. The amount of the invoice given to Owner by Contractor for materials purchased shall be calculated by adding the actual cost of the materials as shown on the materials supplier bill plus profit and overhead on these materials at the rate of 27.4 %.

5. LABOR OVERHEAD & PROFIT: Contractor's overhead & profit will be added to all labor invoiced to Owner at the rate of 27.4 % of the total labor amount billed and is a part of the Cost of The Work.

I have read and understood and I agree to all of the terms and conditions in this Addendum.

X _____
 Contractor or Contractor's Agent sign here Date

X _____
 Owner sign here Date