

TERMS AND CONDITIONS

Plans and Specifications: The project shall be constructed according to the Plans, Drawings, and Specifications. Contractor shall be entitled to rely on the accuracy of the Plans, Drawings, and Specifications provided by Owner. Contractor shall be entitled to a change in the Contract Sum and Contract Time if the Plans, Drawings and Specifications contain errors.

Consumer Notification: Mechanic's 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 improve your property may record mechanics' liens and sue you in court to foreclose the lien. If the 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/she/it 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 by timely paying your outstanding bill. You can also 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. For other ways to prevent liens, visit CSLB's website at www.cslb.ca.gov or call CSLB at 1-800-321-CSLB (2752).

Consumer Notification: You are entitled to a completely filled-in copy of the Home Improvement Agreement, signed by you and the contractor before any work may be started of which these additional terms and conditions are incorporated therein by reference.

Right to Stop Work: Contractor shall have the right to cease work on the Project if any amount due Contractor has not been paid when due.

Permits: Contractor shall obtain, and Owner shall pay for all required building permits. Owner shall be responsible for all taxes, assessments and charges required by public agencies.

Delay: Contractor shall be excused for any delay and may be entitled to an increase in the Contract Time due to any of the following events provided that such event is beyond the reasonable control of Contractor, (i) acts of God including, but not limited to, wind, rain, flood, storm, landslide, subsidence, and earthquake, pandemic or other state and national emergency (ii) acts of neglect of Owner (iii) failure of Owner to promptly process submittals, payment applications, or change orders; (iv) delays caused by work which is not the responsibility of Contractor; (v) acts of neglect of separate contractors employed by Owner; (vi) delays caused by public utilities or government or public bodies of their agents, (vii) materials embargoes; (viii) labor troubles, labor slow down, strikes, union activity causing reduction in productivity, none of which is caused or aggravated by Contractor; (ix) fire, (x) delays in transportation; (xi) changes ordered in the Work; (xii) wrongful failure of Owner to make payments to Contractor required under the Contract Documents; or (xiii) other causes beyond the reasonable control of Contractor, its employees, agents and subcontractors.

Errors: Contractor shall not commence provision of the work or continue with the provision of the work where Contractor discovers any discrepancies, errors, or omissions in the Plans or where anything materially changes or affects the Plans. Contractors agrees to inform the Owner of any such findings and shall only commence or recommence work after obtaining the consent of Owner. In the event Owner does not provide consent within ten (10) days, Contractor may terminate the balance of the contract.

Methods: The Contractor's methods of meeting obligations pursuant to this Agreement shall be determined by the Contractor in its sole discretion and judgment, subject to the provisions and requirements of this Agreement, reasonable consultation with the Owner and subject to the understanding that the Contractor will provide the work in the best interests of the Owner.

Workers Compensation Insurance: The Contractor carries workers' compensation insurance for all employees.

ARBITRATION OF DISPUTES: Any dispute arising out of or relating to the negotiation, award, construction, performance or non-performance, of any aspect of this agreement, shall be settled by binding arbitration in accordance with the Construction Industry Rules of the American Arbitration Association and judgment upon the award rendered by any such arbitrator may be entered in any court having jurisdiction thereof. The exclusive venue for any arbitration shall be in the County of Riverside, California.

NOTICE: BY EXECUTING THE HOME IMPROVEMENT AGREEMENT YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL BINDING ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT (INCLUDING SMALL CLAIMS) OR JURY TRIAL. 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 EXECUTING THIS CONTRACT, YOU WILL BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS AND YOU WILL BE LIABLE FOR ALL COSTS AND ATTORNEYS FEES EXPENDED BY CONTRACTOR IN DOING SO. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

EXCEPTION TO FIVE DAY RIGHT TO CANCEL: Service and Repair Contracts: One major exception to the five-day right to cancel is a "service and repair" contract that covers emergency repairs or services that are requested by the consumer on short notice. The right to a five-day notice is automatically canceled the moment the contract is signed and the contractor begins working on a service and repair contract.

Change Orders: Either Party may request a change in the work by: a. Providing to the other Party a notice that describes the change; b. The Contractor providing to the Owner an estimate cost for making the change; c. Both Parties executing a Change Order, as set forth on the reverse of Page One of the Home Improvement Agreement and: (i) outlining the terms of change, (ii) outlining the new estimated cost and (iii) altering the completion date if necessary.

The Contractor is not obliged to commence work on any change until such time as a valid Change Order is agreed upon and executed by the Parties. Change Orders become part of this Agreement once the order is prepared in writing and signed by the parties prior to commencement of any work covered by the Change Order.

Contractor's failure to comply with the requirements of this clause does not preclude the recovery of compensation for Services performed based upon legal or equitable remedies designed to prevent unjust enrichment.

Late Payment: If Owner fails to pay Contractor any invoiced amounts due, Contractor retains the right to stop providing work until the amounts due have been received. If the amounts due remain unpaid following 10 calendar days, the amounts due shall accrue interest at the rate of 10% per annum from the date payment was due until paid. A bounced check fee of \$25.00 for the first bounced check and \$35.00 for all subsequent bounced checks will also be applied on all checks returned due to non-sufficient funds.

Entire Agreement: The Home Improvement Agreement and the incorporated Terms and Conditions and Limited Warranty Agreement constitute the entire agreement and understanding of the Parties, and supersedes and cancels all prior and contemporaneous agreements, commitments, communications, and writings, whether oral or written. No amendment or modification of this Agreement shall be effective and signed by the Party to be bound thereby.

Information about the California State License Board. CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact 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 website at www.cslb.ca.gov CALL CSLB at 1-800-321-CSLB (2752) WRITE CSLB at P.O. Box 26000, Sacramento, CA 95826"

No Waiver: No failure on the part of either Party hereto to exercise, and no delay in exercising, any right, remedy, or power under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, remedy or power preclude any other or further exercise of any other right, remedy, or power. No waiver shall be valid unless it is in writing and signed by the Party to be bound thereby.

Severability: If any provision or part thereof of this Agreement is determined to be prohibited by, or invalid, illegal or unenforceable under, applicable law, then, such provision or part thereof shall be deemed amended to conform to applicable laws so as to be valid or enforceable or, if it cannot be amended without materially altering the intention of the Parties, then such provision or part thereof shall be stricken without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Force Majeure: The contractor may terminate the contract if the work is stopped for a period of 30 consecutive days through no act or fault of the contractor or a subcontractor, sub-subcontractor or their agents or employees or any other persons or entities performing portions of the work under direct or indirect contract with the contractor for any of the following reasons: (1) Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; (2) An act of government, such as a declaration of state or national emergency that requires all work to be stopped; (3) Acts of God or the public enemy; (4) Acts or omissions of any government entity; (5) Fire or casualty for which a party is not responsible; (6) Quarantine, pandemic or epidemic; (7) Strike or defense lockout; and unusually severe weather conditions. These circumstances may be direct or indirect as it relates to causing work stoppage.

In the event of a termination by the contractor such reasons (which it may do so on seven days' written notice to the owner), the contractor may "recover from the owner payment for work executed, including reasonable overhead and profit, costs incurred by reason of such termination and damages." In the event owner has prepaid for any services and/or materials without any work being commenced, the owner shall be entitled to a refund of the same.

Termination by Contractor: At any time prior to owner's first progress payment on the Agreement, the contractor may, with written notification to the owner, unilaterally cancel the Agreement without penalty. For purposes of these Terms and Conditions, a deposit is not considered a progress payment. In the event contractor terminates the contract prior to the first progress payment but after an initial deposit (if any), contractor shall promptly return the deposit to owner without offset.

Notice: For purposes of providing notice under the terms of this Agreement, such notice shall be directed to the current address of the Party to receive the notice.

Attorneys' Fees: In any dispute relating to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to its actual costs and attorneys' fees.

Bankruptcy: If either party files for Bankruptcy or makes an assignment for creditors, the other party has the right to cancel this Agreement including all warranty work.

Assignment: Neither party shall assign its rights or delegate its duties under this Agreement without prior written consent of the other.

Governing Law: The provisions of this Agreement shall be governed by and interpreted in accordance by and interpreted in accordance with the laws of the county of Riverside and the State of California.

LIMITED WARRANTY AGREEMENT

NOTICE: THIS LIMITED WARRANTY IS IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED. ANY IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, AND ANY UCC WARRANTIES ARE WAIVED.

THIS LIMITED WARRANTY SHALL BE NULL AND VOID IF CUSTOMER DOES NOT REMIT FULL PAYMENT ON ANY WORK PERFORMED BY CONTRACTOR. FURTHER, CONTRACTOR SHALL NOT BE LIABLE FOR ANY DAMAGES, REMEDIES OR EXPENSES (INCLUDING WARRANTY SERVICE), IF THE OWNER DOES NOT FIRST GRANT CONTRACTOR ACCESS TO THE PREMISES AND THE OPPORTUNITY OF CONTRACTOR TO INSPECT, CORRECT, OR REPLACE ALLEGED DEFECTIVE ITEMS, BEFORE OWNER INCURS EXPENSES OR HAS WORK DONE BY A REPLACEMENT CONTRACTOR.

WHAT IS COVERED: Contractor warrants that the improvements constructed are reasonably free of defects and within customary tolerances of the construction industry. "Customary tolerances of the construction industry" means tolerances common and expected in the construction industry and guaranteed to be performed by a skillful and professional contractor. This warranty also covers work under customary tolerances for all subcontractors and other trades people under contract with the Contractor, including the crew of the Contractor.

Contractor further warrants and guarantees that the work reasonably conforms to the requirements of the contract documents, drawings, plans and specifications. If any defects are found, contractor shall repair or replace any of the alleged defective work at its cost. The work to be corrected will be the particular part or area that is defective. Contractor shall have the option of repairing or replacing, at its election.

TERM OF WARRANTY AND STATUTE OF LIMITATIONS – ONE YEAR*: This limited warranty, as well as the statute of limitations for any claim of damages for defective work or materials, is explicitly limited to one year from the date of substantial completion* (**leveling excepted – see below***), defined as the earlier of: 1.) the date of final and/or substantial completion of the project by Contractor, or 2.) the date of final payment of the Owner; whichever is first. If Contractor performs warranty work within this period, this warranty and the statute of limitations shall be extended to the specifically repaired or replaced work itself and be covered for one year after completion. As to acts or failures to act occurring prior to the earlier of 1.) or 2.) above, any applicable statute of limitations shall commence and run and any alleged claim for damages shall be deemed to have accrued in any and all events not later than such date of substantial completion”.

***DUE TO THE ONGOING CONTINUOUS NATURAL SETTLING OF ANY MANUFACTURED OR MOBILE HOME FOUNDATION, THIS WARRANTY AND STATUTE OF LIMITATIONS IS LIMITED TO SIXTY (60) DAYS FOR ANY LEVELING FROM THE DATE OF SUBSTANTIAL COMPLETION OF THE LEVELING.**

NONTRANSFERABILITY: This warranty applies to the original Owner only and may not be transferred to any subsequent owner.

EQUIPMENT, MATERIAL AND APPLIANCES: Contractor hereby assigns (to the extent they are assignable) and conveys to Owner all manufacturers’ and suppliers’ warranties, together with operating instructions if available, on all goods, materials, equipment and appliances provided to Contractor.

Contractor has provided certain material, equipment, appliances, and goods that have been manufactured and/or furnished by third party vendors, supply houses, lumberyards, distributors, and manufacturers (“products”). Contractor will use its best efforts so that such products are new and purchased from reputable suppliers. Contractor also agrees to properly install such materials.

In the event a product is considered defective by the Owner, Contractor shall use its best efforts to contact the supplier or manufacture and receive a free replacement. Contractor shall then within a reasonable time install that new product without charge.

Contractor did not manufacture such products. Contractor warrant’s its services and workmanship only. Accordingly, contractor cannot warrant or guarantee these products themselves. Contractor will not be liable for latent defects in any product (not observable on reasonable inspection). Owner’s sole remedy for defective products, other than the obligation of Contractor to replace same, is against such third-party vendors and their warranties, if any. This limitation still applies and a warranty is not deemed made, even if Contractor has furnished Owner with product brochures, literature, or samples. Nor shall Contractor be liable for dangerous products, design defects in products, or defective warnings. However, Contractor shall lend assistance in settling any claim resulting from defects in these products.

HOW TO OBTAIN SERVICE: If a problem arises during the warranty period, Owner shall notify Contractor in writing of the specific problem. Owner shall give such notice promptly after first discovering the condition. Upon confirmation any problem relates to the work or services of Contractor and not the materials, Contractor will begin performing the obligations under this warranty within a reasonable time of receipt of such a request and will diligently pursue these obligations.

Repair work will be done during Contractor’s normal working hours, except where delay will cause additional damage. Owner also agrees to provide the presence (during the work) of a responsible adult with the authority to approve the repair and sign an acceptance of repair on completion.

There shall be no charge for the costs and expenses of examination or inspection by the Contractor, whether or not a defect is found or later repaired or replaced. The work will be done either by Contractor’s crew or whatever competent workmen or subcontractors are designated by Contractor.

Contractor has sole discretion as between repair or replacement. All efforts shall be made for a reasonable match, and to repair or replace in the event the original item is no longer available.

REMEDIES: With respect to any claim asserted by Owner, it is understood there is no right to recover or request compensation for: incidental, indirect, special, consequential, secondary, or punitive damages; loss of use; diminution in value; rental costs; moving

costs; delay in occupancy; construction; mortgage; loan, or line of credit interest charges; mortgage interest rate increases; lost profits or income; medical costs; damages for mental distress, aggravation, personal injury; or pain and suffering.

Owner should notify Contractor within a reasonable period after first knowledge of a problem, not to exceed 60 days. To be covered, the physical signs of the problem must be observable and have started to cause damage before the one-year period (or sixty-day period for leveling) expires.

WHAT IS NOT COVERED

This Limited Warranty does NOT cover the following items:

1. Damage or defects caused by the failure to maintain any item or keep it in good working order;
2. Damage or defects caused by re-leveling homes with existing and/or prolonged sagging or pre-existing cracked walls (drywall, paneling, etc.) or other latent or visible structural damage;
3. Damage resulting from fire, freezing, storms, electrical malfunction or surge, lightening, earthquake, pest damage, acts of God, or other unforeseen causes or accidents;
4. Damage from alterations to the Work not executed by Contractor or any subcontractor, misuse, or abuse by any person; ordinary wear and tear and normal usage; improper operation; or problems caused by lack of or insufficient maintenance;
5. Damage resulting from your failure to observe any operation instructions furnished at the time of installation;
6. Any item furnished, installed, modified, altered, or repaired by you or any other person other than Contractor;
7. Problems which arise in an attempt to match existing materials. There are limitations inherent in the matching of existing materials such as stucco, drywall, paint, wood, tile, flooring, concrete, and the like. Exact duplication in matching, texture, and color cannot be guaranteed. Variations within industry tolerances will be considered acceptable.

COMPLETE AGREEMENT: This warranty constitutes the entire integrated agreement and understanding of the parties as to any causes of action for losses, expenses, or damages under warranty, workmanship, or construction material/product defect issues, and supersedes as well as preempts any oral statements or representations by Contractor or its agents, before or after signing the contract.

NOTICE OF FIVE-DAY RIGHT TO CANCEL Notice of Cancellation

(Enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within five (5) business days from the date set forth in the Home Improvement Contract.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

If you fail to make the goods available to the seller, or if you agree to return the goods to the seller 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, or send a telegram to:

(Name of seller)

at _____
(Address of seller's place of business)

not later than midnight of _____
(Date)

I hereby cancel this transaction _____
(Date)

(Buyer's signature)