

HOME IMPROVEMENT CONTRACT

"Notice of Cancellation" may be sent to the contractor at the address noted below:

This Agreement is between
AND

Date _____

George Salet Plumbing, Inc.

Out Laying Pipe Since 1979

State License No. 888630 • www.PlumbingPro.com

YOUR SKILLED, CLEAN, HONEST PLUMBERS

650.557.0000 415.334.0733

Fax 415.467.1119

200 Valley Dr., #51, Brisbane, CA 94005

Owner's Name _____

Owner's Address _____

City, State & Zip _____

Phone: _____

Fax: _____

Cell: _____

Other: _____

FREE ESTIMATES & EMERGENCY SERVICE

Paid by CHK. C.C. CASH C.C. # _____ Exp. _____ Auth. # _____

Job Location: _____

Description of the Project and Description of the Significant Material to be Used and Equipment to be installed: As described in the attached estimate.

Substantial commencement of work under this contract is described as: _____

Approximate Starting Date: _____ **Approximate Completion Date:** _____

Contract Price: \$ _____ **Down Payment:** \$ _____

THE DOWN PAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS.

Schedule of Progress Payments: 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.

1. \$ _____ Date: _____
Work or Services scheduled to be supplied

2. \$ _____ Date: _____
Work or Services scheduled to be supplied

3. \$ _____ Date: _____
Work or Services scheduled to be supplied

4. \$ _____ Date: _____
Work or Services scheduled to be supplied

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 DOWNPAYMENT.

Upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement work a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the Civil Code for that portion of the work for which payment has been made.

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 the 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.

Performance of Extra or Change Order Work: You, the buyer, may not require a contractor to perform extra or change order work without providing written authorization prior to the commencement of any work covered by the new change order. Extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of any work covered by the new change order: (i) The scope of work encompassed by the order. (ii) The amount to be added or subtracted from the contract. (iii) The effect the order will make in the progress payments or the completion date. The contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

TERMS AND CONDITIONS

Responsibilities of Customer: Customer represents that, except as described in the request for service, all plumbing, heating and air conditioning and drain systems are in good repair and condition and agrees to hold George Salet Plumbing, Inc. harmless of discovery of defective conditions, including but not limited to the following: 1) Improper or faulty plumbing; 2) Rusted or defective pipes; 3) Acids in the drain system; 4) Lines that are settled or broken; 5) Existing illegal conditions; 6) Defective roofing; 7) Electrical defects.

Responsibilities of Company - Conditions and Limitations: Company shall do all work in a competent, workmanlike manner. Company is not responsible for any illegal conditions.

Limited Warranty: Company warrants all work to be free from defects in material and workmanship for the warranty period of ninety (90) days from completion unless otherwise stated in writing on the face hereof. All drain stoppages are warranted for a period of thirty (30) days from the completion unless otherwise stated in writing on the face hereof. All warranties are void if payment is not made when due. Warranties extend only to the customer and are not transferable. If a defect in materials or workmanship covered by this warranty occurs, Company will, with reasonable promptness during normal hours, remedy the defect. In no event shall company be held liable for water or other damage caused by any delay in remedying a defect. To obtain warranty performance notice company of any defect or claims for breach at the address and telephone number on the face hereof or telephone the business office.

EXCLUSIONS AND LIMITATIONS: CUSTOMER'S RIGHT TO REPAIR AND REPLACEMENT ARE THE EXCLUSIVE REMEDIES AND COMPANY SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM THE MATERIALS PROVIDED FOR IN THIS CONTRACT.

Company is not responsible for the following which are excluded from the coverage of this limited warranty: 1) Defective conditions listed under the above "Responsibilities of Customer"; 2) Work performed by or materials installed by others not in this agreement; 3) Defects and failures from mistreatment or neglect.

This limited warranty is the only express warranty Company gives. IMPLIED WARRANTIES, including, but not limited to, warranties of merchantability and fitness for a particular purpose, are limited to a duration of ninety (90) days from the date of completion.

Protection of Customer's Property: Customer agrees to remove or protect any personal property, inside and out, including, but not limited to, carpets, rugs, shrubs and planting, and Company shall not be responsible for said items. Nor shall Company be held responsible for the natural consequences of Company's work which may cause damage to improvements to real property including, but not limited to, curbs, sidewalks, walks, driveways, garages, patios, lawns, shrubs, sprinkler systems, wallpaper, drywall, stucco, tile, cabinets and other appurtenances to the residence or other real property.

Company shall not be held responsible for damage to personal property, real property, or any improvements to real property caused by persons delivering materials or equipment or keeping gates and doors closed for children and animals.

Entire Agreement: This is the entire agreement. The parties are not bound by any oral expression or representation by any agent purporting to act for, or on their behalf, or by any commitment, or arrangement not to set forth herein. The agreement binds jointly and severally all signing as Customer, their heirs, representatives, successors and assigns.

Company will not provide an itemized breakdown of materials and labor for flat rate priced book. However, Company will provide an itemized list

of all materials used to perform the necessary repair upon request.

Subcontracts: The Contractor may subcontract portions of this work to properly licensed and qualified subcontractors.

Changes in Work: Should the Owner, construction lender, or any public body or inspector direct any modifications or additions to the work covered by this Contract, the Contract price shall be adjusted accordingly. Any expense incurred due to such conditions shall be paid for by the Owner as added work and may change the type of contract required for the job.

Concealed Conditions: Contractor shall promptly notify the Owner of: 1) latent physical conditions at the job site differing materially from those indicated in the contract, or 2) unknown physical conditions differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this contract. Any expense incurred due to such conditions shall be paid for by the Owner as added work and may change the type of contract required for the job.

Validity and Damages: In case one or more of the provisions of this agreement, or any application of this agreement, shall be invalid, unenforceable or illegal, the remaining provisions shall not in any way be impaired. Any damages for which Contractor may be liable to Owner shall not, in any event, exceed the contract price.

Asbestos, Lead, Mold, and other Hazardous Substances: Owner here represents that Owner has no knowledge of the existence on or in any part of the premises affected by the project of any asbestos, lead paint, mold (including any type of microbial or microbiological contamination, mildew, or fungus), or other hazardous materials or substances. Testing for the existence of any hazardous material or substance shall only be performed as expressly stated in writing. Contractor shall not be testing or performing any work whatsoever in an area that is not identified in this contract.

Unless this contract specifically calls for the removal, disturbance, or transportation of asbestos, polychlorinated biphenyl (PCB), mold, lead paint, or other hazardous substances, the parties acknowledge that such work requires special procedures, precautions, and/or licenses. Unless this contract specifically calls for same, the Contractor shall immediately stop work and allow the Owner to obtain a duly qualified asbestos and/or hazardous material contractor to perform the work or Contractor may perform the work itself at Contractor's option. Such work shall be treated as an extra under this contract.

In the event that mold or microbial contamination is removed by Contractor, Owner understands and agrees that due to the unpredictable characteristics of mold and microbial contamination, Contractor is not responsible for any recurring incidents of mold or microbial contamination appearing in the same or adjacent location subsequent to the completion of work performed by Contractor. Owner agrees to hold Contractor harmless, and shall indemnify Contractor harmless for any recurrence of mold or microbial contamination. Owner also agrees that Contractor shall not be responsible and agrees to hold Contractor harmless and indemnify Contractor for the existence of mold or microbial contamination in any area that Contractor was not contracted to test and/or remediate. Owner is hereby notified, and hereby acknowledges, that most insurers expressly disclaim coverage for any actual or alleged damages arising from mold or microbial contamination. Contractor makes no representations whatsoever as to coverage for mold or microbial contamination, though at Owner's expense and if requested in writing, Contractor will inquire as to the availability of additional coverage for such contamination or remediation, and will, if available, obtain such coverage at the expense of the Owner as an extra.

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FREE ESTIMATES

&

EMERGENCY SERVICE

Finance Charge: 1 3/4% per month on past due contracts. Minimum Charge: \$15.00. Must be stated separately from Contract amount.

List of Documents to be Incorporated into the Contract: Estimate No. _____; Terms and Conditions on the reverse side of page 1; A notice concerning commercial general liability insurance is attached to this contract; A notice concerning workers' compensation insurance is attached to this contract; Mechanics Lien Warning; Information about the Contractors' State License Board (CSLB); Three-Day Right to Cancel; Notice of Cancellation; Waiver of Right to Cancel;

Additional documents attached: _____

You are entitled to a completely filled in and signed copy of this agreement before any work may be started.

The owner or tenant has the right to require the contractor to have a performance and payment bond, however, the contractor can charge you for the costs of obtaining a bond.

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 "Notice of the Three-Day Right to Cancel."

Authorization to Proceed with Work — I hereby authorize the herein described work at the listed contract price. Unless prior arrangements are made, payment is due upon completion. In the event that collection efforts are initiated against me. I shall pay for all associated fees at the posted rates. By the addition of my signature below, I agree that I have received a copy of this contract and all documents in the List of Documents to be Incorporated into the Contract, and that I have read, understand, and agree to the terms listed herein and on the reverse side.

X _____
Owner's Signature Date

Authorization for George Salet Plumbing, Inc.

X _____
Representative's Signature Date

Acceptance of Work Performed — I acknowledge satisfactory completion of the above described work, and that the premises have been left in a satisfactory condition. I understand that if my check does not clear, I could be held liable for three times the amount of the check, in no case more than \$500, nor less than \$100, plus the face value of the check, as set forth in California Civil Code Section 1719.

X _____
Owner's Signature Date

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 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.

Information about the Contractors' State License Board (CSLB):

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 Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

COMMERCIAL GENERAL LIABILITY INSURANCE (CGL)

This contractor carries commercial general liability insurance obtained through McFarland Commercial Insurance Services. You may call the insurance broker at 530-222-5400 to check the contractor's insurance coverage and insuring company.

WORKERS' COMPENSATION INSURANCE

This contractor carries workers' compensation insurance for all employees.

THREE-DAY RIGHT TO CANCEL

You, the buyer, have the right to cancel this contract within 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 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.

I, _____ hereby acknowledge that on _____ I was provided this
Print Owner's Name Date
document titled "Three-Day Right to Cancel." _____
Buyer's Signature

WAIVER OF RIGHT TO CANCEL

I have initiated a contract in connection with emergency repairs or service, for the immediate protection of persons or real and personal property with George Salet Plumbing, Inc. Waiting three days to have repairs or service would place an undue, unwanted burden upon myself. I hereby state that the following emergency situation exists, requiring immediate attention:

Pursuant to Section 1689.13 of the California Civil Code, I acknowledge and hereby waive all rights to cancel this transaction within three business days. I understand that regardless of whether work has started or not, after I waive all rights to cancel this transaction, I may not subsequently exercise this waived right.

I hereby waive this right. Date: _____ Buyer's Signature: _____

Date: _____

NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

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:

George Salet Plumbing, Inc. at 200 Valley Dr., #51, Brisbane, CA 94005 not later than midnight of _____ Date

I hereby cancel this transaction. Date: _____ Buyer's Signature: _____