

First Onsite Property Restoration California Home Improvement Contract Addendum

Client and First Onsite Property Restoration (“Contractor”) hereby acknowledge that the Project may be a Home Improvement Contract, within the meaning of California Business & Professions Code § 7150 *et seq.* The purpose of this Addendum is to amend the parties’ written contract (the “Agreement”) to comply with the applicable provisions of California law relating to Home Improvement Contracts. Client and Contractor agree that in the event of a conflict between the terms of the Agreement and the terms of this Addendum, the terms of the Agreement shall control.

The following provisions and/or modifications are incorporated into the Agreement:

1. The title of the Agreement is changed to:

Home Improvement Contract

2. Immediately below the title to the Agreement the following is added:

Client is entitled to a completely filled in copy of this Agreement, signed by both Client and Contractor, before the Work is started.

Additional Notices Pursuant to Business & Professions Code § 7159.

Changes in the Work | Note About Extra Work and Change Orders: Extra Work and Change Orders become part of the Agreement, once the Change Order is prepared in writing and signed by the parties prior to the commencement of the Work covered by the new Change Order. The Change Order must describe the scope of the Extra Work or change, the cost to be added or subtracted from the Agreement, and the effect the Change Order will have on the schedule of progress payments.

Upon satisfactory payment being made, for any portion of the Work performed, the Contractor, prior to any further payment being made, shall furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any potential lien claimant claim or mechanics lien authorized pursuant to Sections 8400 and 8404 of the Civil Code for that portion of the work for which payment has been made.

Commercial General Liability Insurance (CGL): Contractor carries commercial general liability insurance written by Chubb Insurance Company. You may call the Risk Dept. at 817-293-0035 to check the Contractor’s insurance coverage.

Workers’ Compensation Insurance: Contractor carries workers’ compensation insurance for all required employees.

Extra or Change Order Work: Client may not require Contractor to perform Extra Work or Change Order Work, without providing written authorization prior to the commencement of Work covered by the new Change Order. Extra Work or a Change Order is not enforceable against Client unless the Change Order also identifies all of the following in writing prior to the commencement of Work covered by the new Change Order:

1. The scope of Work encompassed by the Change Order.
2. The amount to be added or subtracted from the Agreement.
3. The effect the Change Order will make in the progress payments or the completion date.

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

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 '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 Internet 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 Internet Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

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

NOTE: There are three types of rights to cancel: 3, 5 and 7 day. The three day notice is the default notice and is required for all home improvement contracts unless one of the others apply. The five day notice is required for contracts with "senior citizens", or individuals 65 or over. The seven day notice is for any contract to repair "residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county." Each of the notices must be in 12 point bold, and are listed below.

Three-Day Right to Cancel:

You, the buyer, have the right to cancel this contract within three business days. You may cancel by emailing, 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 them, 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, or send a telegram to:

First Onsite Property Restoration, 6200 S. Syracuse Way, Suite 230, Greenwood Village, CO 80111, not later than midnight of the third day from when the contract was executed. In such communication state that you cancel the transaction and date and sign the cancellation notice.

Five-Day Right to Cancel:

You, the buyer, have the right to cancel this contract within five business days. You may cancel by emailing, 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 them, 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, or send a telegram to:

First Onsite Property Restoration, 6200 S. Syracuse Way, Suite 230, Greenwood Village, CO 80111, not later than midnight of the fifth business day from when the contract was executed. In such communication state that you cancel the transaction and date and sign the cancellation notice.

Seven-Day Right to Cancel:

You may cancel this transaction, without any penalty or obligation, within seven 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:

First Onsite Property Restoration, 6200 S. Syracuse Way, Suite 230, Greenwood Village, CO 80111, not later than midnight of the seventh business day from when the contract was executed. In such communication state that you cancel the transaction and date and sign the cancellation notice.

NOTE: The applicable notice above shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which shall also be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., English or Spanish, as used in the contract:

"Notice of Cancellation"	
	/enter date of transaction/
	(Date)