



PROPOSAL & CONSTRUCTION TERMS & CONDITIONS

Effective Date: July 15th, 2015

Welcome to Refecto, Inc!

This Agreement is a contract between you and Refecto, Inc. and governs your use of all Refecto, Inc. Services. Using the Refecto, Inc. Services means that you must accept all of the terms and conditions contained in this Agreement. You should read all of these terms carefully.

1. **SCOPE OF WORK.** Contractor ("Contractor") will furnish all labor, materials, equipment, supervision, and administration to complete in a good and workmanlike manner alterations to the project ("Project") to be completed under this agreement ("Agreement"), including description of the Project, Materials to be used and Equipment to be installed.
2. **EXCLUSIONS.** Contractor's scope of work under this Agreement does not include items excluded ("Exclusions") from the Project described above.
3. **ALLOWANCES.** The Agreement Price may include allowances ("Allowances") for certain materials, finishes, fixtures and/or other items, which have not yet been selected or decided by Owner ("Owner"). Allowances are specific dollar amounts, which Contractor has allocated for the purchase of the materials, finishes, fixtures and/or other items to be selected. These allowances include all overhead and profit, plus all applicable sales taxes. If the final cost of any item covered by an allowance is greater or less than the specified allowance, the Agreement Price will be increased or decreased accordingly by a written change order to be issued by Contractor.
4. **AGREEMENT PRICE.** Owner shall pay Contractor the agreement price (the "Agreement Price") for the work to be performed under this Agreement, subject to additions and deductions pursuant to change orders agreed upon in writing by the parties, and eventually subject to Allowances.
5. **DOWN PAYMENT.** If applicable, a down payment ("Down Payment") shall be rendered to the Contractor at the start of work.
6. **SCHEDULE OF PROGRESS PAYMENTS.** If applicable, the Agreement Price shall be paid in progress payments ("Progress Payment"), which do not include the Down Payment and are defined in the above schedule.
7. **PAYMENT DUE.** All payments will be made within 10 days after billing, unless specified. Overdue payments will bear interest at the rate of 10% per month from the date on which payment is due.
8. **APPROXIMATE START DATE.** The work to be performed under this Contract shall commence on the specified approximate start date ("Approximate Start Date") as long as any required building permits are received and any agreed upon funds are paid to Contractor. Substantial commencement of the work shall be deemed to occur when Contractor first supplies workers to the Project who actually commence construction operations. Failure of Contractor without lawful excuse to substantially commence work within twenty (20) days from the approximate date specified in this Agreement is a violation of the Contractor's License Law.
9. **EXTRA WORK AND CHANGE ORDERS.** Extra Work and Change Orders become part of the Agreement 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 to or subtracted from the Agreement, and the effect the order will have on the schedule of progress payments. If Owner or his agents or any public body or inspector directs any modification or addition to the work covered by this Agreement, the Agreement Price and time of performance shall be adjusted accordingly. Payments for extra work shall be made before the work starts, 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 (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 in a signed change order form before any new work is started. Signed change orders shall be incorporated into and become a part of this Agreement.
10. **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.
11. **SUBCONTRACTS.** All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Owner has agreed in advance in writing, all subcontracts shall be on a fixed price basis.

12. **RECORDKEEPING.** The Contractor shall keep full and detailed accounts as may be necessary for proper financial management under this agreement. The Owner shall be afforded access to all the Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating directly to this Agreement, and the Contractor shall preserve all such records for a period of three years after the final payment.
13. **WORKER'S COMPENSATION INSURANCE.** Contractor carries workers' compensation insurance for all employees.
14. **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, subcontractor and material suppliers 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.
15. **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 Agreement. If any payment required under this Agreement is not made when due, Contractor may keep the Project idle until such time as all payments due have been made.
16. **PERMISSIBLE DELAYS.** Contractor shall be excused from any delay in the completion of the work to be performed under this Agreement 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.
17. **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 §§8120-8130, 8400 et seq. of the California Civil Code for that portion of the work for which payment has been made.
18. **OWNER INDEMNIFICATION.** The Contractor hereby agrees to hold the Owner harmless and to indemnify the Owner against any and all claims that 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.
19. **CONTRACTOR INDEMNIFICATION.** The Owner hereby agrees to hold the Contractor harmless and to indemnify the Contractor against any and all claims that may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of the Owner.
20. **ATTORNEY'S FEES.** In the event any arbitration or any action at law or in equity shall be brought on account of any breach of this Agreement, or to enforce or interpret any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees, which shall be fixed by the tribunal or court and be made a part of any award or judgment rendered. This Agreement shall be governed by, and construed in accordance with the laws of the State of California without regard to its conflict of laws provisions.
21. **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.
22. **ACKNOWLEDGMENT.** Owner is entitled to a completely filled in copy of this agreement, signed by both the Owner and the Contractor, before any work may be started.
23. **COMPLETE AGREEMENT.** This Agreement constitutes the entire agreement between the parties. There are no other agreements, oral or written, pertaining to the work to be performed under this Agreement. This Agreement can be modified only by an agreement in writing signed by the parties.

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