

CONTRACT PROPOSAL

[COMPANY NAME]
(Home Improvement Contracts - Attach Addendum A)

DATE: _____

To: _____ PROJECT: _____
("Client")

From: _____
("Contractor")

Contractor's License No.: _____

SUBJECT TO ACCEPTANCE WITHIN _____ CALENDAR DAYS FROM THE DATE HEREOF, AND TO ALL OF THE TERMS AND CONDITIONS (WHICH INCLUDE ACCEPTANCE BY ACTION AND ARBITRATION PROVISIONS) CONTAINED ON THE REVERSE SIDE HEREOF, OR ATTACHED HERETO, WE PROPOSE TO PERFORM THE FOLLOWING WORK AT THE PRICE OR PRICES SET FORTH BELOW:

Client accepts this Proposal and all its terms and conditions as a binding Contract subject only to the approval of the credit of Client by Contractor, which approval shall not be unreasonable withheld.

Client: _____ Submitted By: _____

By: _____

Title _____ Title: _____

Date: _____ Date: _____

Tel.No.: _____ Tel. No.: _____

Client's License No.: _____

SIGN AND RETURN THIS TOP SHEET TO
CONTRACTOR WITHIN THE STATED ACCEPTANCE PERIOD

1. All prior proposals, negotiations, and representations, oral or written, made by or between Client and/or Contractor regarding this transaction are superseded by this Proposal.

2. The acceptance of this Proposal by Client by execution or action (as herein defined) shall constitute acceptance of all terms and conditions herein contained. Allowing Contractor to commence work (which shall include ordering of materials) will constitute acceptance by Client of this Proposal and all its terms and conditions. (See over.)

3. The terms and conditions of this Proposal may not be modified in any way without the written consent of an officer of Contractor.

4. Contractor shall be paid not less than monthly for all work performed prior to Contractor's estimate dates. Payments must be made to and received by Contractor within the earlier of: five (5) business days after Client receives payment for Contractor's work; or, thirty (30) calendar days from Contractor's estimate date. Retainage, in an amount not to exceed ten percent (10%), may be withheld on progress payments if required by the Client's contract with the Owner or with a contractor in a tier above Client; any reduction thereof to be passed on to Contractor. The term, "Contractor's estimate date" shall mean either the prearranged date for submittal of estimates by Contractor, or if no such date has been established, the date indicated on the estimates submitted by Contractor.

5. Final payment shall include all retainage and shall be made to and received by Contractor either in the earlier of five (5) business days after Client receives final payment for Contractor's work, or thirty (30) calendar days from Contractor's final estimate date, whichever is earlier. The term, "Contractor's final estimate date" shall mean the date of the estimate submitted by Contractor after completion of the work described herein.

6. No offset, back-charge, or deduction of any kind shall be withheld from any payment unless the amount thereof has been specifically agreed to in writing beforehand by Client and an officer of Contractor. Any unagreed claim of such nature shall be resolved by arbitration.

7. All sums owing and unpaid shall accrue interest at the maximum rate permitted by law as of the date hereof from the due date. Client shall reimburse Contractor for all cost of collection incurred by Contractor, including, but not limited to, attorneys' fees. Any monies received by Contractor from Client may be applied by Contractor to any of its open accounts then existing relating to any other work performed by Contractor for Client for which Contractor has not been paid.

8. Contractor will indemnify Client for any damages, expenses or liability arising out of Contractor's performance of its work; provided, that any such damage expense or liability is caused by the negligent act or omission of Contractor.

9. A mutually satisfactory schedule of operations shall be agreed upon by Client and Contractor prior to Contractor's performance. Should Client fail to submit such schedule, Contractor shall proceed as its forces and other commitments allows.

10. Contractor will perform its work in accordance with the technical portion of any plans and/or specifications identified on he face hereof or in an attachment hereto.

11. Unless specifically indicated herein to the contrary, this Proposal contemplates: (a) one (1) mobilization and continuous operation, (b) forty (40) hour work week, working weekdays only, for a maximum of eight (8) hours per day, (c) Client furnishing all temporary site facilities and services including sanitary conveniences and all necessary utilities, (d) Client preparing all work areas so as to be acceptable for Contractor's work, including but not limited to access, excavation, dewatering, sharing, grading, and location of protection of existing utilities, as necessary, (e) all work and materials to be performed or supplied by Contractor to be in accordance with industry standards and tolerances, (f) Client to provide all engineering (g) Contractor will not provide: railroad insurance, flagmen, signs, barricades, flares, traffic maintenance, outside protection or removal of any overhead or underground obstructions.

12. Contractor shall not be obligated to make changes in or additions to the work unless Contractor and Client first agree in writing as to: the scope of such change, the reimbursement to be paid to Contractor for additional expenses, if any, and profit; and, the number of additional days, if necessary, to be added to Contractor's completion date, if such date has been earlier agreed upon.

13. Should Contractor, in the performance of its work, encounter concealed conditions which are at variance with conditions previously indicated, or which differ materially from those ordinarily encountered or reasonably anticipated, Contractor shall be reimbursed for all additional expenses related thereto, plus a reasonable profit, and the time of completion shall be extended accordingly.

14. Contractor shall be excused for delays in performance caused in whole or in part by Client, the Owner, General Contractor, Architect, and/or Engineer, fire, flood, acts of God, strikes or other differences with workmen, war, riot, embargoes, transportation damage or delay, shortages (whether of cars

fuel, labor or materials), acts of civil or military authorities, accidents, or any cause or causes beyond the direct control of Contractor. In case of the happening of any such cause or delay, the time of completion shall be extended accordingly.

15. Acceptance of Contractor's performance by Client shall constitute a waiver of any claim for damages on account of any delay. If delay is caused in whole or in part by Client or Owner, Contractor shall be reimbursed for all expenses related thereto, plus a reasonable profit. No penalty or liquidated damages for delay shall be imposed upon Contractor unless specifically provided for herein.

16. Contractor reserves the right, at its sole option, either to suspend its work or to terminate all contractual relations with Client, without prejudice to any other remedies available to Contractor, should commencement or performance of work be suspended or substantially delayed.

17. If Client fails to comply with any term or condition hereof, Contractor may, after giving three (3) days prior notice, stop work until such term or condition is complied with in full to its satisfaction. Two (2) such instances causing Contractor to give notice or stop work shall give Contractor the right to terminate all contractual relations with Client. Nothing herein shall prejudice any other remedy which Contractor may have as a result of Client's breach.

18. No claim for compensation for errors or defects in material or workmanship will be allowed against Contractor unless Contractor is given timely notice in writing of such alleged defect or error, so as to afford it the opportunity to investigate, inspect and correct same.

19. Any and all disputes, controversies or claims arising out of or related to this Proposal or the work described herein shall be settled by arbitration held in the county of the work of improvement, or at such other location as Contractor and Client may agree upon, in accordance with the JAMS rules. The Arbitration award shall be final and binding upon the parties, and judgment may be entered upon such award in any court having jurisdiction. Nothing in this provision shall be construed to limit in any manner Contractor's right of lien, right of action against any payment, performance or other surety bond, right of stop notice, or right against any security interest of any type or nature whatsoever.

20. Client shall comply with all applicable laws, regulations, statutes and ordinances and shall save harmless and indemnify Contractor against loss from a violation thereof.

21. This Proposal shall be governed by and construed in accordance with the laws of the State of California.

22. The waiver by Contractor of any term of this Proposal shall not be deemed a waiver of that term in any subsequent time or of any other terms.

23. Nothing in this Proposal shall bind Contractor to any union agreements. Contractor shall not be responsible for any delays or damages resulting from any work stoppage, picketing, handbilling or strike, provided Contractor has been provided access to the Project site by Client, and continues to perform in accordance with the terms hereof. If Contractor's ability to perform in accordance with the terms of this Proposal is precluded or impaired by any act or omission of Client (including but not limited to, at Contractor's request, failing to establish or permitting the Contractor to establish a "Dual Gate" system or otherwise restricting Contractor's access to the project site during normal working hours), Contractor shall have full recourse against Client for any damages incurred by Contractor as a result thereof.

24. Unless otherwise specified in this Proposal, the cost of bonds is not included herein and if required, shall be an additional expense to Client.

25. Stenographic and clerical errors, if any, in this Proposal are subject to correction.

26. This Proposal shall be deemed to have been withdrawn at the option of Contractor, if not accepted within the stated acceptance period, unless agreed to in writing by an officer of Contractor.

27. The terms and conditions attached hereto, if any, shall supersede any conflicting terms and conditions set forth herein, to the extent of such conflict.

28. In the event this proposal is a home improvement contract, it shall include Addendum A attached hereto.

(Client Initials)

(Contractor Initials)

