

STANDARD TERMS AND CONDITIONS

1. **Payment for Services.** Customer agrees to pay Bonded, Inc. doing business as Bonded Flooring, Carpet Steam Cleaning, Window Coverings and More (“Bonded”) based upon the pricing set forth at the time the assignment is provided and confirmed in any separate writing from Bonded. If no specific pricing terms are confirmed in a separate writing then the contract amount shall be based upon Bonded’s standard pricing which is set forth on its website bondedinc.com or available in print on request. Unless a completed credit application has been approved, Customer agrees that all charges are on a C.O.D. basis and due at the time of completion, less the deposit given. For any balance that remains unpaid past its due date, Customer agrees to pay a service charge of 1½% per month (18% per annum) on all past due invoices with the minimum service charge of \$5.00 per month. Collection expenses and attorney’s fees will be added if a collection agent and/or an attorney is employed. In the event of a dispute, Customer agrees to immediately pay all undisputed amounts due.

2. **Cancellation.** For residential jobs, provided that the right of cancellation has not been waived, the Customer may cancel a transaction at any time prior to midnight of the third business day after the date of the transaction without any obligation or penalty. The three-day Notice of Cancellation forms are provided to Customers and additional copies can be obtained upon request.

If there is a cancellation of any part of the scope of work following the expiration of the time period for the right of cancellation, following a waiver of the right to cancel under Civil Code section 1989.13, or for a non-residential property, Bonded Carpet shall be immediately paid by Customer for all services already provided plus all “Loss of Income”. “Loss of Income” shall be computed as 20% of the total amount for unfinished work performed by Customer or any third party service Bonded Carpet. Customer agrees to provide, within ten (10) days, copies of all pricing, bills, receipts and/or invoicing from any and all third parties upon written request by Bonded Carpet. Further, Customer agrees to provide a full and complete release of any liability related to any work that was cancelled prior to completion.

3. **Assignment of Insurance Proceeds and Payment Obligations.** Customer agrees to assign their benefits, under any applicable policy of insurance that Customer may have, to Bonded and directs that all payments for all insurance drafts be paid directly to Bonded. Customer appoints Bonded as its attorney in fact to endorse any insurance payments under this contract. Customer agrees to pay their deductible directly to Bonded. Customer acknowledges and represents that Bonded is not responsible for reading or interpreting any insurance policy. To the extent that Bonded directly bills Customer’s insurance company or some other third party, Customer acknowledges that such billing is being done as an accommodation. Customer is responsible for payment of services at the time such services are rendered. The duty of Customer to pay for services rendered to Bonded shall not be contingent upon the honoring of any applicable insurance claim. For any balance that remains unpaid for a period of more than ten (10) days from the date of the invoice, Customer agrees to pay a late payment of one and one-half percent (1.5%) per month on any unpaid balances. In the event of a dispute, Customer agrees to immediately pay all undisputed amounts due under this contract.

4. **Representation by Customer of Authority to Enter Into Contract.** Customer is the property owner, manager, tenant and/or responsible representative who hereby authorize Bonded to provide all necessary services contemplated under the agreement. If the party executing this Agreement is not the owner of the property (e.g., a tenant, manager, agent or interested third party) Customer represents and warrants that he/she is authorized to sign on behalf of an absentee property owner during an emergency.

5. **Exclusions From Scope of Work.** Bonded is not required to perform services or provide any equipment other than the work or equipment specifically indicated in the scope of services. In addition, Bonded Carpet is not required to: (a) remedy or repair any existing code violations, illegal conditions, unusual or abnormal concrete footings, foundations, retaining walls, piers or unusual depth requirements, or any damage caused by termites or dry rot; (b) replace, reroute, or relocate plumbing, gas, water or sewer lines, vents, pipes, ducts, conduits or wiring; (c) change any existing electrical service panel other than to add circuit breakers or fuse blocks to distribute electric current to new outlets; (d) work on cesspools or septic tanks; (e) perform any work required by any public body, utility or inspector; or (f) excavate filled ground or ground of inadequate bearing or rock or any other material not removable by ordinary hand tools. Bonded is not required to make any independent investigation or recommendations to Customer and is not responsible for performing any work or recommending any work be

performed other than the work being specifically requested by Customer for Bonded to perform. To the extent Bonded is requested to perform any emergency clean up services that do not conform to the standards of the IICRC, then to the extent permitted by law: Customer shall indemnify, defend, and hold harmless Bonded Carpet against and in respect of any and all third party claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorneys' fees, that Bonded Carpet shall incur or suffer, that arise, result from, or relate to any breach of, or failure by Bonded Carpet to perform, any of its obligations in this Agreement or in any way related to the scope of work to be performed under this Agreement except those caused by Bonded Carpet's sole and active negligence. Bonded shall have the right to select the attorney to represent it in connection with any such third party claim at Customer's expense. In the event of an action is brought based on a breach of the obligation to indemnify Bonded by Customer, the prevailing party shall be entitled to its costs including reasonable attorney's fees in connection with such action.

6. Work Commencement and Completion. Bonded will be deemed to have substantially commenced the work when equipment and/or materials are delivered to or workers actually commence the work at the property. However, the start date and the completion date are estimates and may be delayed due to circumstances beyond Bonded's control. Drying the structure of a building is variable, therefore exact completion is variable. Bonded is not liable or responsible for any damages, costs, interruptions or losses of any kind resulting from or related to acts of God, weather conditions, fire, flood, casualty, labor strikes, lockouts, disturbances, riots, civil commotion, government regulation or restriction, acts of Customer, the issuance of any necessary permits, shortages or unavailability of materials and/or supplies or other causes beyond Bonded's control. The failure by Bonded Carpet, without lawful excuse, to substantially commence the work within twenty (20) days after the approximate commencement date stated above is a violation of the Contractors State License Law.

7. Disclaimer for Water Loss Jobs. If not promptly and properly addressed, the job site may become biologically contaminated causing substantial additional damage that may present health hazards. Bonded is not liable for damage that results from any of the following that occur due to circumstances beyond Bonded's control: (a) breach, dismantling or damage to containment and/or equipment; (b) interruption or interference with work; (c) unplugging or moving equipment, tools or machinery. Bonded is not required to perform any services not specified in the scope of work and is not required to perform any services beyond those requested by Customer. If Customer elects to proceed with limited work in connection with a water loss, Bonded is not required to perform or to recommend any additional services be performed. Customer understands that not performing a dry down or interruption by damage to containment, interruption of Bonded's work, unplugging of equipment and other similar obstructions can cause mold, fungi and/or bacteria to grow in or around carpet, padding, walls, cabinets, and elsewhere within the structure, causing further property damage and/or resulting in a "sick" building - which may be a health hazard. Customer understands that problems may result including but not limited to: toxic, allergic, infectious and/or inflammatory illnesses, and structural damage including warping, decay and dry rot.

8. Agreed Procedure for Billing Disputes. Customer agrees that the invoices will be reviewed within ten (10) days of mailing and that any objection will be stated in writing within thirty (30) days of the date of the invoice. If no objection is made by Customer within this period of time, it is agreed that the invoice shall be deemed accurate and reasonable and Customer shall be obligated to pay the entire invoice amount. Should Customer dispute any charge set forth on any invoice, such dispute must be made in writing, specifying each specific entry in dispute and the basis for the dispute. **ANY DISPUTE OF A CHARGE MUST BE DELIVERED TO BONDED CARPET WITHIN 30 DAYS OF THE DATE OF THE INVOICE. ANY DISPUTE AS TO AN ITEM ON THE INVOICE THAT IS NOT DISPUTED WITHIN 30 DAYS OF DATE OF THE INVOICE SHALL BE EXPRESSLY WAIVED.** The existence of the dispute will not alter the obligation to pay interest on the disputed amount unless, the Customer receives a judgment in Customer's favor with respect to such disputed amounts.

9. Access to Property/Responsibility for Equipment. Customer will provide free and unrestricted access to the job site to Bonded's employees, agents and subcontractors, and their vehicles and equipment. Customer will keep driveways clear and available for movement and parking during working hours, and will provide areas for storage of equipment, materials, and debris. Bonded will store equipment and materials in the areas provided by Customer at the end of each workday. Customer will secure all entrances to the job site in a manner adequate to prevent persons other than Customer, Bonded and any authorized workers, subcontractors, or material suppliers from gaining access to the job site. Customer is responsible for the care and custody of any equipment and materials while Bonded is not on the job site, and will pay the repair and/or replacement cost of any lost or damaged

equipment or materials. Customer will provide all water, electricity and other utilities necessary for Bonded to perform the work. The Customer is responsible for all on-site and sub-contracted equipment, including but not limited to dryers, dehumidifiers and monitoring equipment. It is the Customer's responsibility to all persons away from contractor's equipment left at the job side. The loss or damage to equipment is billable to the Customer.

10. Representations/Waiver and Release of Customer/Occupant Entering or Remaining on the Premises. Customer and any occupant of the premises have independently investigated the potential risks involved in entering into or remaining on the premises of the job site. Customer has consulted with and obtained information from qualified experts regarding these potential risks, including but not limited to potential health consequences, which may result from my entry into or upon the premises or the effect of remaining on the premises during the clean-up/remediation process or thereafter. Customer hereby represents, warrants and acknowledges that neither Bonded nor any of its employees, agents, or representatives of any nature, has made any representations about the safety or lack of risk in connection with the entry onto or remaining on the premises during the clean-up/remediation process or thereafter.

Customer has independently investigated the remediation process and/or have consulted with and obtained information from qualified experts of Customer's choice regarding the process. Customer acknowledges that Bonded has made no representation or warranties of any kind about the effectiveness or appropriateness of any of the clean-up/remediation processes being performed. Customer further understands and agrees that any comments made by Bonded or its personnel are merely expressions of lay opinions in this area and Customer agrees not to rely on any such statements.

Customer hereby agrees, to the fullest extent permitted by law, to limit the liability of Bonded to Customer or any third party related, including any occupant, to any and all claims, losses, costs damages of any nature whatsoever (1) caused by or occurring during Customer's, any occupant's, or any guest of any occupant's entry upon or remaining on the job site during the clean-up/remediation process or thereafter and (2) for errors or omissions made in connection with the attempted remediation process and/or the methods used in making such attempted remediation.. Customer agrees that Bonded shall NOT be responsible for any consequential damages or contingent liability, irrespective of the cause of any such damage, except those caused by Bonded's sole and active negligence.

11. Obligation for Disclosure. Customer shall provide Bonded complete available information regarding known conditions in and around the Structure. Customer shall be responsible for advising Bonded of the existence of hazardous substances or areas of concern. Customer will disclose to all occupants that mold, fungus, sewage, water damage and/or biological contamination can lead to serious health effects, and will indemnify and hold Bonded harmless from any claims that arise as a result of Customer's failure to make such a disclosure. All occupants should consult with a physician regarding the potential health effects of exposure to microbial contamination. Bonded will not give medical advice and Customer agrees not to interpret Bonded's statements as medical advice.

12. Limited Warranty. For a period of one (1) year from the date services were first provided, Bonded will provide replacement services for any defectively performed service. This limited warranty is the only warranty provided under this Agreement and no other warranties, either express or implied, shall exist. Customer must make a claim under this warranty, in writing, by delivering notice to Bonded's principle place of business within three hundred sixty five (365) days of the date services were first performed. Such notice shall specify the defective work and the basis for the defect. Bonded shall have a reasonable time thereafter to investigate the claim and perform corrective work on this warranty. Unless Bonded has refused to honor this warranty, Customer shall have no right to have the repair work performed by any third party and in the event such work is undertaken, Bonded shall be relieved of all financial responsibility to pay for such corrective work.

13. Hold Harmless and Indemnification. To the extent permitted by law: Customer shall indemnify, defend, and hold harmless Bonded against and in respect of any and all third party claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorneys' fees, that Bonded shall incur or suffer, that arise, result from, or relate to any breach of, or failure by Bonded to perform, any of its obligations in this Agreement or in any way related to the scope of work to be performed under this Agreement except those caused by Bonded's sole and active negligence. Bonded shall have the right to select the attorney to represent it in connection with any such third party claim at Customer's expense. In

the event of an action is brought based on a breach of the obligation to indemnify Bonded by Customer, the prevailing party shall be entitled to its costs including reasonable attorney's fees in connection with such action.

14. Limitation of Liability. The Customer agrees, to the fullest extent permitted by law, to limit the liability of Bonded to the Customer for any and all claims, losses, costs, damages of any nature whatsoever, or claims expenses from any cause or causes so that the total aggregate liability of Bonded and its subcontractors to the Customer's total fee for services rendered on this project. In no event shall Bonded be responsible for any consequential damages or contingent liability as a result of its performance or non-performance of its duties under this Agreement. This limitation includes, but is not limited to, all claims for personal injuries, damage to property, and lost profits.

Bonded shall not be responsible or liable for pre-existing, existing, or post existing, sick building syndrome, building related illness, or complaints. In the case of wet floors, slippery surfaces from water, fire damaged, etc., the Customer will oversee and provide security and safety for the work area.

15. Contractor's License. Contractors are required by law to be licensed and regulated by the Contractor's State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (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. Bonded's Contractors license number is 647924. Bonded, Inc. is a California Corporation.

STATE LAW REQUIRES ANYONE WHO CONTRACTS TO DO CONSTRUCTION WORK TO BE LICENSED BY THE CONTRACTORS' STATE LICENSE BOARD IN THE LICENSE CATEGORY IN WHICH THE CONTRACTOR IS GOING TO BE WORKING--IF THE TOTAL PRICE OF THE JOB IS \$ 500 OR MORE (INCLUDING LABOR AND MATERIALS).

LICENSED CONTRACTORS ARE REGULATED BY LAWS DESIGNED TO PROTECT THE PUBLIC. IF YOU CONTRACT WITH SOMEONE WHO DOES NOT HAVE A LICENSE, THE CONTRACTORS' STATE LICENSE BOARD MAY BE UNABLE TO ASSIST YOU WITH A COMPLAINT. YOUR ONLY REMEDY AGAINST AN UNLICENSED CONTRACTOR MAY BE IN CIVIL COURT, AND YOU MAY BE LIABLE FOR DAMAGES ARISING OUT OF ANY INJURIES TO THE CONTRACTOR OR HIS OR HER EMPLOYEES.

YOU MAY CONTACT THE CONTRACTORS' STATE LICENSE BOARD TO FIND OUT IF THIS CONTRACTOR HAS A VALID LICENSE. THE BOARD HAS COMPLETE INFORMATION ON THE HISTORY OF LICENSED CONTRACTORS, INCLUDING ANY POSSIBLE SUSPENSIONS, REVOCATIONS, JUDGMENTS, AND CITATIONS. THE BOARD HAS OFFICES THROUGHOUT CALIFORNIA. PLEASE CHECK THE GOVERNMENT PAGES OF THE WHITE PAGES FOR THE OFFICE NEAREST YOU OR CALL 1-800-321-CSLB FOR MORE INFORMATION."

16. No Third Party Beneficiary/No Duty to Third Parties. This Agreement is for the sole benefit of the Customer and there are no intended or unintended third party beneficiaries to this Agreement. Bonded assumes no duty toward any third party by virtue of this Agreement including any occupants to the premises where work is being performed where the occupant is not the Customer and Bonded's sole duty shall be for the obligations specifically enumerated in this Agreement and this limited duty shall be owed only to the Customer and to no other person(s) or entities.

17. Right to Releases. 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 services, 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.

18. Change Orders/ Note About Extra Work and Change Orders. No extra or change-order work may be required to be performed without prior written authorization of the person contracting for the services. No change-order is enforceable against the person contracting for the services unless it clearly sets forth the scope of

work encompassed by the change-order and the price to be charged for the changes. Any change-order forms for changes or extra work shall be incorporated in, and become a part of, the Agreement. Extra Work and Change Orders become part of the contract once the order is prepared and signed by the parties. The order must describe the scope of the extra or change, the cost to be added or subtracted from the Agreement, and the effect the order will have on the schedule of progress payments. Change orders required by the building department at the jobsite shall be considered incorporated into the Agreement without being signed by both parties.

19. Notice to Customer/Mechanic's Lien Law Handout. State law requires that Customer be provided certain notices regarding California Mechanic's Lien Law, and Customer hereby acknowledges receipt of those notices which have been provided separately and are incorporated into this agreement as though set forth herein.

20. Modification; Waiver; Severability. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by all the parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. The provisions of this Agreement are separate and divisible, and if any of those provisions, or portions thereof are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remain provisions, or portions thereof, shall not be affected and shall remain in full force.

21. Attorney's Fees and Costs. The parties agree that in an action for a breach of this Agreement, that the Prevailing Party will be entitled to Reasonable Attorneys' Fees, costs and expert witness fees in addition to any other relief to which that party may be entitled. Costs shall include all costs and not be limited to the recoverable costs set forth in the Code of Civil Procedure. The parties agree that the "Reasonable Attorneys' Fees" to be awarded shall be limited to a maximum amount of \$7,500 except for actions based upon a breach of the indemnity covenants where no such limitation has been provided. This attorney's fee provision is only intended to cover actions based upon the Agreement and shall not apply to any tort causes of action that may be brought by any party.

22. Opportunity to Review Agreement. Each party to this Agreement has been given an opportunity to fully review and analyze this Agreement and further have had the opportunity to seek legal counsel and to have legal counsel review and analyze this Agreement. Each party has fully read and understands each provision of this Agreement and all parties understand their respective duties under this Agreement. Bonded and Customer agree to the use of the particular language of the provisions of this Agreement, and any questions of doubtful interpretation will not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist as both parties agree to be considered the drafter of this Agreement.

23. Governing Law/Forum Selection. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California as applied to contracts that are executed and performed entirely in California. The sole forum for any action or proceeding brought by Bonded or Customer arising of or in any way related to this Agreement, whether such action is in law or equity, will be a court of competent jurisdiction or arbitration forum in the County of San Diego, State of California.

24. One Year Limitation on Actions. The parties to this Agreement agree that any action based upon the services performed in this Agreement, any alleged breach of this Agreement, or any breach of any duty assumed by this Agreement, shall be commenced within one (1) year of the alleged breach. It is the intention of the parties by this provision to shorten the four (4) year statute of limitations provided for in Code of Civil Procedure section 337 and the two year statute of limitations provided for in Code of Civil Procedure section 335.1.

25. Arbitration of Personal Injury Disputes. Any Dispute between the parties relating to a mold related claim (other than disputes related to payment under the contract) or personal injury, directly or indirectly relating to or arising from the condition of the premises, shall be resolved solely by BINDING ARBITRATION. The party initiating the claim, shall set forth, in writing, the basis and amount of the claim, which must specify the factual basis for the claim, the nature and extent of the injury, and the identification by name, address and telephone number of the witnesses with personal knowledge of the facts supporting the claim and injuries. This information

must be provided, in writing to the responding party prior to the initiation of or selection of an arbitrator and the claim in the arbitration shall be limited to the facts, witnesses, and amounts set forth in the written disclosure. Following the Claimant's presentation of the required information, the parties shall pick a neutral arbitrator by mutual agreement. If the parties cannot agree to an arbitrator within 15 days, then the responding party, shall provide a list of three neutral arbitrators, each of whom shall be retired judges providing arbitration services in San Diego, California, and the claimant shall select one of the arbitrators from the list to act as arbitrator of the dispute. Any dispute as to the arbitrability of the dispute shall be determined by the Arbitrator. Any demand for arbitration must be made in writing within 180 days after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date that the institution of legal or equitable proceedings based on such a matter would be barred by the applicable statute of limitations. The decision of the arbitrators shall be final and judgment may be entered on it in accordance with applicable law.

The arbitration shall occur within 60 days of the filing of a claim of arbitration, unless the arbitrator finds that additional time must be provided to enable the parties to have a fair hearing on the merits. There shall be no right to discovery, unless for good cause the arbitrator deems that such discovery is necessary to ensure a fair hearing on this matter.

NOTICE: BY THIS CONTRACT, YOU ARE AGREEING TO HAVE ANY PERSONAL INJURY OR MOLD RELATED DISPUTE (OTHER THAN DISPUTES RELATED TO PAYMNET UNDER THE CONTRACT) DECIDED BY ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. THE DECISION OF THE ARBITRATOR SHALL BE FINAL.

24. **Insurance Information.** Bonded carries commercial general liability insurance written by _____ . You may call _____ at (____) _____ to check Bonded's insurance coverage. Bonded carries workers' compensation insurance for all employees.

25. **Bond.** Customer may require Bonded to have a performance and payment bond with respect to its work. The cost of such bond will be added to the fee for services and shall be paid by the Customer.

Notice to the Buyer: You are entitled to a completely filled in copy of the written Agreement, signed by both you and the contractor, before any work may be started.