



# TERMS AND CONDITIONS

**1. CHANGES IN THE WORK.** Should the Owner, construction lender, or any public body or inspector direct any modification or addition to the work covered by this contract, the contract price shall be adjusted accordingly.

## NOTE ABOUT EXTRA WORK AND CHANGE ORDERS

Extra Work and Change Orders become part of the contract when the order is prepared in writing and signed by the Owner prior to the commencement of any work covered by the new order. The order must describe the scope of the extra work and the cost to be added or subtracted from the contract, and the order will have on the schedule of progress payments. Any order without written authorization shall not be deemed a valid collection of the extra work.

**2. RESPONSIBILITIES OF THE PARTIES.** Contractor shall promptly notify the Owner of (a) subsurface or latent physical conditions at the site differing materially from those indicated in this contract, or (b) unknown physical conditions differing materially from those encountered and generally recognized as inherent in work of this nature provided for in this contract. Owner as added work shall be at the expense incurred due to such conditions.

The Owner is responsible to supply water, gas, sewer, and other utilities unless otherwise agreed to in writing. Electricity at the site is necessary.

Owner agrees to allow and provide Contractor and his employees access to the property and provide toilet facilities.

The Owner is responsible for having sufficient funds to complete this agreement. This is a cash transaction unless otherwise agreed.

The Owner is responsible to remove or protect any personal property and Contractor is not responsible for it or for any damage to shrubs, etc.

The Owner will point out and warrant the property line.

**3. DELAYS.** Contractor agrees to start and diligently complete the work through to completion, but shall not be responsible for delay due to the following reasons: failure of the issuance of all necessary permits within a reasonable length of time, funding of loan or of funds into funding control or escrow, acts of neglect or omission by Owner or Owner's employees or Owner's agent, acts of God, inclement weather, strikes, lockouts, boycotts, or other labor activities, Extra Work ordered by Owner, acts of public or civil commotion, inability to secure material through regular channels, imposition of government priority or allocation, failure of Owner to make payments when due, or delay in inspection or changes ordered by the inspectors or governmental bodies, or for acts of independent contractors or other causes beyond Contractor's reasonable control.

**4. PLANS & SPECIFICATIONS.** If plans and specifications are prepared for this job, they shall be attached to and become part of this agreement.

**5. SUBCONTRACTS.** The Contractor may subcontract any part of this work to properly licensed and qualified subcontractors.

**6. FEES, TAXES AND ASSESSMENTS.** Owner will pay for all assessments of all descriptions. Contractor will obtain all required building permits, but Owner will pay assessments required by public bodies and utilities for financing or repair of sewers, storm drains, water service, schools and school districts, utilities, hook-up charges and the like.

**7. INSURANCE AND DEPOSITS.** Owner will procure at Owner's expense and before the commencement of any work hereunder, fire insurance, during the course of construction, vandalism and malicious mischief insurance, and, if any, payable to any beneficiary under any deed of trust covering the project, such insurance shall also name the Contractor and subcontractors as additional insured, and to include sufficient funds to cover the Contractor, subcontractors and construction lender as their agents. Should Owner fail to do so, Contractor may procure such insurance as agent for and at the expenses of Owner, but is not liable for the same.

If any property is destroyed or damaged by accident, disaster or calamity, including fire, storm, earthquake, flood, landslide, or by theft or vandalism, the Contractor in rebuilding or restoring the project shall be reimbursed by the owner as extra work.

Contractor shall obtain and pay for insurance against injury to Owner's own employees and persons under Owner's direction and persons on the job site as a condition of invitation.

**STOP WORK:** Contractor shall have the right to stop work if payment shall not be made, when due, to Contractor under this contract. Contractor may keep the job idle until all payments due are received. Remedy is in addition to any other right or remedy that they may have. Such failure to make payment when due, is a breach of this agreement. Owner acknowledges that the Contractor is responsible for the delay in stopping and starting the project shall be the Contractor's extra and allow Contractor additional costs in accordance with the terms hereof.

**DEBRIS:** Contractor will remove from Owner's property debris and material created by this operation and leave it in a neat and clean condition.

**COMPLETION:** No action of any character arising from or related to this contract, or the performance thereof shall be commenced by either party other more than two years after completion of the project work under this contract.

**ATTORNEY FEES.** In the event there is any litigation or arbitration arising out of this agreement, the prevailing party shall be entitled to reasonable attorney fees and costs.

**LIEN RELEASE:** 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 persons contracting for the improvement, a full and complete release from any claim or Mechanic's Lien pursuant to the provisions of the Civil Code, for that portion of the work for which payment has been made.

**HAZARDOUS WASTE.** Unless the contract specifically calls for the removal, disturbance, or transportation of any hazardous substances, the parties acknowledge that the work requires special procedure, precautions, and/or permits, and, unless the contract specifically calls for same, if Contractor encounters such substances, Contractor shall stop work and allow the Owner to obtain duly licensed and/or hazardous material contractor to perform the same. The Contractor may perform the work at contractor's expense and such work will be treated as an extra under the contract.