

AFFORDABLE SERVICES CORP.

DOING BUSINESS AS AFFORDABLE PLUMBING & HEAT, INC.

TERMS & CONDITIONS

1. **DEFINITIONS.** "You" includes each owner of the property. "We" or "us" refers to Affordable Services Corp., a Colorado corporation doing business as "Affordable Plumbing and Heat, Inc."
2. **BID.** A bid is an offer to perform services and provide materials as defined in the scope of work for a specified price or based on a formula such as a time and materials basis. If the price is not specified as a particular fixed amount, then the price will be computed on a time and materials basis (as described below). Extra work which you may request, or which may be required by public authorities, will be invoiced in accordance with written change orders or, if no change order is prepared, then on a time and materials basis.
3. **ESTIMATE.** An estimate provides our estimation of the cost of a project. It is not a fixed price. Estimates are given when the nature or scope of work may be uncertain, due to concealed conditions, difficulty in assessing problems to be encountered or resolved, or difficulty in determining the means or methods of best accomplishing the work. If we commence work based upon an estimate, and the scope of the project or the value of the time and materials as set forth below substantially exceed the estimate, then you shall pay the higher price as computed on a time and materials basis. If it appears that the price of the project is likely to substantially exceed the amount of the estimate, we will make reasonable efforts to notify you when commercially practical to do so. We may propose a change order, a revised estimate, or a bid. Regardless of whether our contract is based upon a bid or an estimate, if you request that we cease work at any time, you shall nonetheless remain obligated to pay for all labor and materials supplied by us. If you request that we cease work then the price will be fixed as an amount as specified in the contract, or an amount based upon a time and materials basis, whichever is higher.
4. **CONTRACT.** No agreement, whether it is designated as a bid, an estimate, a proposal, or otherwise, shall become a contract binding upon us until it is both signed by you and accepted in writing by Ted Toft or another employee of Affordable Plumbing & Heat, Inc. who has the authority of a general manager.
5. **CHANGE ORDERS OR EXTRA WORK.** We are obligated only to perform the specified scope of work. You may request changes or modifications in the scope of the work. These requests may be agreed upon orally or in writing. If agreed upon in writing, the terms of the written change order shall be binding on the parties. However, unless otherwise agreed in writing, all extra labor and materials shall be billed on a time and materials basis.
6. **EXTRA WORK REQUIRED BY A PUBLIC AUTHORITY.** In the event that the applicable public authority or other government agency subsequently requires modifications or additional labor or materials which were not included in the applicable bid or estimate, then the contract price shall be adjusted shall be billed on a time and materials basis. We are not responsible for any special inspections, analysis or reports which are not ordinarily provided by a building inspector.
7. **CONTRACT PRICE.** If the parties have agreed upon a fixed price reflected in a bid signed by both parties, then the price for labor and materials shall be as reflected in that written agreement. Time and Material charges will not be broken out in contract pricing.
8. **TIME AND MATERIALS.** Affordable Plumbing and Heat does not perform a task at Time and Material. If a time and material contract is negotiated all pricing on labor and material will be made

clear before hand. Time and material projects will be turned into Contract Price with an agreed upon price by both parties.

9. **PAYMENT.** Unless a different agreement has been reached, a down payment of fifty percent of the total price of the contracts shall be paid promptly after signing the written agreement. We are not obligated to commence work until the agreement is fully signed and the down payment is made and we may cease work immediately if any down payment or progress payment is not made as agreed. Payment is not made until funds clear the bank. Progress payments may be required by separate agreement. In the absence of a specific agreement, we may require that seventy-five percent of the contract price be paid when in our reasonable estimation the work and materials supplied equal seventy-five percent of the project. Any unpaid balance shall be due upon completion.
10. **INSURANCE.** If the balance is expected to be paid by insurance proceeds on an acknowledged claim, We still require balance paid in full on completion of project – Affordable Plumbing and Heat does not do third party billing. If the balance due is not paid by insurance proceeds within that time, then the account will be deemed to be in default, retroactive to the date of completion. In the event that insurance proceeds are expected to cover any part of the contract price, you shall do all things reasonably necessary to ensure that we receive the insurance proceeds as intended by this contract, including but not limited to directing that checks be made payable to us, or immediately indorsing and delivering to us insurance checks for proceeds related to our scope of work. If you receive insurance proceeds intended to pay any part of the contract price, then you hold them in trust for our benefit. Failure to properly disburse insurance proceeds to us may cause you to be liable for actual or treble damages and attorney fees under the insurance fraud and contractor trust fund laws of the State of Colorado as applicable to owners. You hereby authorize us to communicate with your insurance carrier and meet with their representatives and discuss all matters related to the insurance coverage and the scope of services, and you authorize your insurance company to release to us all information and documents concerning your property, policy, and insurance claim.
11. **SCHEDULING.** You are responsible for keeping a mutually-agreed upon schedule for the work. If you fail to meet that schedule, by failure to be present at the site, or by failing to do any thing to be prepared for the work to commence (including failure to timely make a payment), then you will pay for the reasonable expense of any of our employees' nonproductive trip(s). We reserve the right to charge a cancelation fee up to \$1,500.00 to cover administration and handling fees.
12. **WARRANTIES.** We warrant that all materials provided by us shall be as specified and free of defects, and all work shall be completed in a substantially workmanlike manner. THIS WARRANTY EXPIRES ONE YEAR AFTER COMPLETION (DEPENDING ON SCOPE AND TRADE OF WORK), AND IS IN PLACE OF, AND NOT IN ADDITION TO, ANY OTHER EXPRESS OR IMPLIED WARRANTIES OF QUALITY, OR FITNESS FOR HABITATION OR ANY PARTICULAR PURPOSE, AND SUCH IMPLIED WARRANTIES ARE HEREBY DISCLAIMED. This warranty shall be void if you (1) fail to pay the full contract price; or (2) fail to provide prompt notice of a warranty claim (within thirty days, or in case of an emergency then as soon as possible) and a reasonable opportunity to correct the problem; or (3) you permit any person or firm other than us to complete, correct, perform or redo any work identified within the original scope of the work of this contract with us. No warranty is given as to the results of drain cleaning or the quality or suitability of parts or plans or specifications which we have not supplied.
13. **CORRECTION OR COMPLETION OF WORK.** We shall have the irrevocable right to perform all corrective or pick-up work identified by you unless we decline to do so following receipt from you of a specific list of corrective or pick-up work and a reasonable period of time within which to perform the work. You shall not contract with any alternative contractor for the performance or completion of work within the scope of this agreement, nor shall you occupy or use our work until and unless we shall have been provided the notice and opportunity stated above. If you do contract with an alternative contractor to perform the pick-up work or otherwise correct or complete the project, without first affording us the above-described opportunity to do so, or if you commence to use or occupy the space in which we performed the work, you then agree to accept all work and materials "as is" and thereby waive any and all claims, of whatever nature, against us for any defects in performance, including labor, material, and warranty claims of any kind.

14. **RESPONSIBILITY FOR PREMISES.** At the completion of the project, we will remove all waste materials and rubbish from the site, together with its tools, construction equipment, machinery and surplus materials. You warrant that: all site conditions are known and disclosed; any plans supplied by you are adequate for intended purposes; and the provided address and legal description are correct and adequate for all purposes, including mechanic's liens; you shall carry hazard insurance or bear the loss occasioned by hazard; and you shall not post any notice of nonliability. You shall determine and warrant to us the location of all property lines, underground restrictions or underground utilities, easements or rights of way, pipes, power lines, septic tanks, utility lines or drain fields, and shall indemnify us and hold us harmless from any loss or liability, including attorney fees and costs, resulting from any suits, claims, disputes, losses or problems related to the above. You shall assume complete responsibility for the protection of all landscaping, trees, shrubs, and bedding plants which you wish to preserve, as they may become damaged during the progress of construction. We are not responsible for any drywall, fixtures, structural, or other damage that may occur or be necessary in order to complete the scope of work or any other damage that may occur as a result of the original plumbing, sewer or HVAC system, or other problems related to the premises. We shall not be obligated to correct or repair pre-existing structural deficiencies or problems resulting from such conditions, or the work of others.
15. **SCOPE OF WORK.** Except as indicated specifically on the front of this contract, the following work is not included in this contract: any leveling of tubs, shower bases, or floors; repair of damage occurring from appliance moving/ relocating; any sheet metal work, pipe insulation, or ditch compaction; correction or repairs to sewer lines, or repairs necessitated by equipment getting stuck in the line, to include, but not limited to, cutting into drywall, concrete, or roof; gutter repairs; correction to landscaping or other property damaged in the normal course of work by digging or other operations.
16. **DEFAULT AND REMEDIES.** Payment is due as required by your contract, and not later than the date of service or completion. In the event of a default in payment, we may in addition to ceasing work, recover all of the contract price which may then be due, together with any lost profit remaining in the contract. Interest shall accrue from the date of completion, upon any balance which remains unpaid, whether the balance is liquidated or unliquidated. Interest shall accrue at the rate of 1.5% per month compounded monthly, or the legally maximum rate of interest, whichever is less. In addition, a late fee of \$10.00 per month may be assessed, and a \$50.00 returned check fee may be assessed for any dishonored checks. Reasonable attorney fees and costs of collection shall be added to the balance due and shall be included in any award or judgment for non-payment.
17. **CONFIDENTIALITY.** All aspects of any dispute including facts or opinions related to the dispute, and communications related to it, shall be strictly confidential. No party shall disparage the other or publish or circulate or disseminate, verbally or in writing, any negative information about the other, in any public media, social media, emails, news reporting, or other forums whatsoever. No other report shall be made to any person or company. Disclosure of confidential information may be made as reasonably necessary to (a) to attorneys, tax and financial advisors, or (b) to others if so required by lawful subpoena or court order and the adverse party is given ten (10) days' advance notice of such disclosure and an opportunity to object to same. The effect of circulating disparaging information being difficult to estimate in advance, the parties reasonably estimate in advance that breach of confidentiality involving disparagement of our business will cause approximately \$500.00 per violation, for which damages awards may be issued.
18. **MECHANIC'S LIENS.** Pursuant to Colorado Revised Statutes §38-22-101 et seq. and this agreement, we have a right to claim and enforce a lien on your property for any unpaid balance on your account, including interest and reasonable attorney fees and costs of collection.
19. **SAFETY.** You must exercise special care for the safety of yourself and others. The following are examples. You shall not allow anyone to go into or remain in any work area while any dangerous condition such as an open hole or exposed electrical components are present; or disregard safety barriers, rules or warnings, or allow any other person to do so. You waive, and release us from, any liability for injury or property loss caused by which you might avoid by exercise of reasonable care, and shall indemnify us and hold us harmless from any loss or liability, including attorney fees and costs, resulting from any suits, claims, disputes, losses or problems related to the above.

20. WEATHER AND OTHER RISKS. We shall not be held responsible for any problems caused by lightening, hurricane, tornado, hail, windstorm, and other unusual movement or settlement of a structure or ground, or for acts of God, war, labor strikes, unavailability of materials, mold, or caused by fires, floods or other hazards (including personal injuries to third parties) typically covered by homeowner's or builder's risk insurance. We shall not be responsible for incidental, indirect or special or consequential damages, including but not limited to personal injury to any person as a result of our performance, nonperformance or termination of this contract, whatever the cause, nor for any reason in an amount in excess of the amount paid to us.
21. RESTOCKING FEES. If you order materials and which must be restocked or reordered due to your cancellation, the supplier may charge us a restocking fee. If that happens, you will pay the restocking fee and a reasonable service charge to us equal to the restocking fee, or \$100.00, whichever is greater.
22. COMPLETE AGREEMENT. This contract constitutes our entire agreement, and there are no other promises, conditions, representations, warranties (including implied warranties of fitness or suitability) except as stated herein. This contract shall not be modified except in writing. For example, if you wish for us to perform additional work outside the scope of work, including any alteration or deviation from the contract specifications, or in connection with any defects or problems discovered during the course of the job, then we will require a written change order including a reasonable charge for the extra work.
23. LEGAL ADVICE. We have not given and will not give you legal advice of any kind, and we recommend you obtain the advice of an attorney concerning your legal rights. Please do not sign this contract unless you have read and understood all of it.