

WORK AUTHORIZATION CONTRACT

Building No. 9	Street Sunnyfield Drive	City Rolling Hills Estates	Zip 90274	Date of Inspection 05/18/17	Page No. 1
 Professional Real Estate Services Inc.		Vital Signs Professional Real Estate Services, Inc. 1647 W. Sepulveda Blvd., Suite 10 Torrance, CA 90501 Phone: 310-326-6939 Fax: 310-326-6937 www.VitalSignsTermite.com Registration # PR4659			
		For Report # 15567			

ITEMIZED COST BREAKDOWN (Refer to items on the report)

	<u>Primary Work Bid</u>	<u>Secondary Work Bid</u>
SECTION 1:	2A / 2B / 2C / 2D / 2E: \$2575.00 Drywood termite treatment 2F / 3A / 3B / 3C / 3D: \$2900.00 Wood repair *** TOTAL: \$5475.00	2A / 2B / 2C / 2D / 2E: \$3775.00 2F / 3A / 3B / 3C / 3D: \$2900.00 *** TOTAL: \$6675.00
SECTION 2:	NONE	NONE
FURTHER INSPECTION:	NONE	NONE
TOTAL:	\$5475.00	\$6675.00

ITEMS AUTHORIZED: Please X the appropriate box and fill out blanks as necessary.

ALL ITEMS AS BID ABOVE AT THE LISTED PRICE

ONLY THE SECTION 1 ITEMS ABOVE

OTHER: List individual items authorized: _____

By signing this agreement, the customer acknowledges that they have read, understand and agree to abide by this agreement which includes any and all referenced documents. Signature hereby acknowledges that this obligation took place in the jurisdiction and venue of the city of Torrance in the state of California.

ACCEPTED BY (Signature): X _____

Signer's Name (Please Print): _____

I AM THE: Owner (Seller or Buyer) OR I AM THE Agent for: _____

THIS FOUR PAGE DOCUMENT IS A BINDING CONTRACT between our company and the property owner and incorporates our termite report(s) #15567 dated 05/18/17 and subsequently for the real property located at 9 Sunnyfield Drive Rolling Hills Estates CA 90274.

Items on the report(s) may contain provisions for additional costs over and above the original estimate. Please read this agreement and the inspection report(s) carefully and completely prior to signing.

If this property is the subject of a real estate transaction, the customer hereby instructs the escrow company or other responsible party to pay the agreed upon sum upon close of escrow/sale. If further inspection is recommended, or if additional work is required, this company will provide additional prices and recommendations for correction. Interested parties will be notified prior to additional work being performed.

NOTICE: The charge for service that this company subcontracts to another person or entity may include the company's charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept this company's bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, this company will not be responsible for any act or omission in the

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performance of work that you directly contract with another to perform.

NOTICE TO OWNER

Under the California Mechanics Lien Law any structural pest control company which contracts to do work for you, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his or her work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full if the subcontractor, laborers or suppliers remain unpaid.

To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice." Prime contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

IT IS AGREED THAT:

- 1) Reference in any documents by the company to moisture conditions or wood destroying fungus shall not be construed as an indication of anything other than what is stated. Wood destroying fungi should not be confused with mold. The company does not inspect for or render any opinion on the existence of any mold in the structures inspected. If the customer has any questions about molds in the structure, they should direct their questions to a properly credentialed professional. By executing this work authorization contract, customer acknowledges that he or she has been advised of the foregoing and has had the opportunity to consult with a qualified professional.
- 2) Though not common, there exists a fast moving wood destroying fungus called "Poria incrassata". It resembles other fungus infections and can remain hidden until serious damage has already occurred. The company will endeavor to, but does not guarantee to, identify this type of infestation when evidence is visible. The company does not contract for the eradication of this pest and is not responsible for eradication of this serious pest or correction of damages caused by it.
- 3) Due to the very nature of wood destroying pests to live hidden inside of wood, surface inspection of building materials may not disclose all infestations or infections. The customer agrees that the company will not be held responsible for such hidden or undiscovered pests and damages.
- 4) The company will report on visible evidence of infestations, infections, and their damage. If there is visible evidence of infestation of termites or wood destroying insects or organisms, it must be understood that, by definition, there exists hidden damage to the building associated with this current infestation. Also, historical damage following past treatments may exist. Damage that is hidden, previously repaired, reinforced or superficial in nature is not usually called out as a separate item but it is understood that it may exist whether or not an infestation or infection is currently noted on the report.
- 5) During the course of work or other companies' inspections, any previously painted or concealed area that is newly exposed may show evidence of damage and possible infestation. When this occurs, contact this company for further inspection, a supplementary report will be issued. Any work completed in such areas will be done only at the owner's explicit direction and owner's agreement to pay for any additional expense.
- 6) The company is not responsible for the repair or replacement of either visible or hidden damage existing as of the date of the agreement. All treatments, repairs and recommendations by the company are based on non-destructive visual inspection. Damage may be present in painted, unexposed, inaccessible or hidden areas of the structures not detectable during visual inspection. The company is not responsible for the repair of any present or future damage that is uncovered. The company does not guarantee that any damage discovered during the initial or subsequent visual inspections of the structures comprises all of the damage that may exist in the structures at the time of inspection.
- 7) The company is not responsible for damage to any plumbing, gas, electrical, solar panels and systems, alarm wires or similar lines that we may encounter in the process of treatment or repair work.
- 8) In the case where the company must drill through the concrete slab to allow access to the soil for treatment of subterranean termites, the following is understood and agreed upon:
 - a) If the surface to be drilled has a covering, the owner is responsible for removal and replacement of the covering. If the company has to drill through any coverings we will not perform any repairs to the coverings. This company will fill the drilled holes in the concrete slab only.
 - b) If the floor is presently carpeted, our company will lift the carpet before treatment and reinstall after treatment. If difficulty in

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reinstalling the carpet is encountered, the owner will need to hire a carpet installer at owner's expense to properly reinstall carpeting.

- 9) The company is not responsible for work performed by others, recommended or not, including by Owner. Contractor bills should be submitted to escrow as certification of work completed by others.
- 10) The company is not responsible for any losses that occur due to conditions out of the control of the company such as acts of God, or interference by outside agencies or people.
- 11) This proposal does not include painting or decoration in the process of work performed unless otherwise stated in writing. Items recommended will be replaced close to the original but are not guaranteed to match. Exact color matching of paint/finish is not guaranteed even when attempted.
- 12) Action under the guaranty is limited to additional treatments only and does not include repairs or monetary compensation.
- 13) Conducive conditions are items that, if left uncorrected, are likely to lead to infestations and infections in the future. The company considers these items to be important to the proper maintenance of the structure and should be corrected by the owner in a timely manner. If these items are not corrected and their existence contributes to further problems, the company may at its discretion, adjust or void any guaranty to protect itself from liability. Specifically, the company is not responsible to perform work under any guaranty if the infestation, infection and/or damage, is a result of a conducive condition that was allowed to exist due to the owner's failure to perform corrective measures in a timely manner. In addition, because old damage from termites that have been eradicated can continue to falsely show evidence of being currently infested, the company will not retreat any old damage unless there is a clear indication that a truly live infestation may exist. The owner must repair or replace the damaged wood prior to any additional treatments being performed on old termite damaged areas.
- 14) Definitions
- a) Owner/customer: The lawful owner (including the seller and or buyer of the property in a real estate transaction), or their agent, of the property upon which work is performed.
 - b) Company: Vital Signs Professional Real Estate Services, Inc.
 - c) Agent: A lawful agent acting on behalf of the owner.
 - d) Report: The original or additionally issued Wood Destroying Pests and Organisms Inspection Report and associated or included paperwork.
 - e) Completion/notice of work completed: The Notice of Work Completed and Not Completed issued under the Structural Pest Control Act.
- 15) The total amount of this contract is due and payable upon completion of work item(s) unless otherwise specified. The date of the Notice of Work Completed and Not Completed serves as date of completion.
- 16) If this work is billed to an escrow company, the customer is responsible for full payment within 30 days if escrow should be prolonged, cancelled, or closes without payment being made for all costs incurred by the company.
- 17) A finance charge computed at a monthly rate of 1.5% of the unpaid balance (annual percentage rate of 18%) will be added to all accounts past due.
- 18) Customer agrees to pay all reasonable attorneys' fees if the company files suit to enforce any terms of this contract, together with the costs of such action, whether of not suit proceeds to judgment.
- 19) The invalidity or unenforceability of any provision(s) of this agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.
- 20) This agreement, including any reports, notices of work completed, annual renewal agreements, constitute the entire agreement between parties, and may not be varied, altered or modified in any way except by written agreement between the parties and approved in writing by a company executive. No verbal changes in the terms of the agreement or verbal approval of deviations from performance of this agreement are permitted.
- 21) The company and the customer acknowledge and agree that there shall be no intended third party beneficiaries to this agreement.
- 22) The company shall not be responsible for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure.
- 23) In the case of a dispute arising during or after the performance of work, the company is due payment for any non-disputed work performed.
- 24) The guaranty if any, shall be assignable to a subsequent owner, provided that the customer gives a copy of this agreement and all included documents to the new owner at the time of the property transfer. Any new property owner must agree to perform under

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the terms of this agreement as listed for the owner/customer. Failure of the new owner to perform the owner/customer's responsibilities will relieve the company from performance under this agreement at the company's discretion.

25) The company and the customer acknowledge and agree that this agreement, and all provisions, terms, and conditions contained herein, shall be binding upon and inure to the benefit of their marital communities, successors in interest, heirs, assigns, representatives, agents, insurers, devisees and or transferees fully allowed by law.

26) The customer must notify the company at least 48 hours prior to the scheduled work time if the customer wishes to cancel an appointment. At the company's discretion, a 10% surcharge may be added to the job cost, if the customer fails to give adequate notice of a cancellation.

27) In the event the customer chooses to stop or cancel work under this agreement after work has commenced, the company shall be due payment in fair compensation for any partial performance. The customer agrees that repairs or extermination of infestations cannot be undone and that they materially improve the property. The amount owed will depend on the extent of work performed but shall not be less than full payment of any monies due to subcontractors plus 25% of the total original job cost. The customer agrees that the company's opinion of the extent of work performed shall be accepted as the basis for fair compensation.

28) It is assumed that if an agent orders work on the owners behalf, that they were notified prior by said agent. If payment is not made by the agent or escrow company it will be the responsibility of the owner to produce payment.