



PROPERTY RESTORATION

BELFOR USA Group, Inc.

TEXAS WORK AUTHORIZATION CONTRACT

BELFOR Representative: Danny Twardowski

Owner's Name: Waller County

Business/Tenant's Name: Danny Roth

Job Address: 806 Austin Street

City: Hempstead, TX State: _____ Zip: _____

E-mail: _____

Insurance Carrier: TAC

Insurance Agent: Travis Alton

Policy #: _____ Claim #: _____

Purchasing Cooperative/TPA/Other:

Owner either owns, leases, or controls the above property ("Property") and/or has the authority to enter into this Work Authorization Contract ("Contract") with BELFOR USA Group, Inc. d/b/a BELFOR Property Restoration ("BELFOR"). Owner authorizes BELFOR to provide all labor, equipment, and materials to perform the below requested services at the Property. By checking "Yes" in any of the Sections 1-4 below, Owner is authorizing BELFOR to perform such services identified therein (the "Work").

1. EMERGENCY SERVICES. ☐ Yes ☐ No Owner's Initials: _____

BELFOR shall provide Emergency Services to perform damage control measures after a loss. Emergency Services may include securing the Property, erecting safety barriers, initiating emergency structural repairs, conducting safety inspections, securing and sealing the Property from the elements, providing temporary power, implementing water extraction, dehumidification, corrosion control, smoke mitigation, deodorization/cleaning/storage of personal property, clean-up and disposal, and demolition services. **THERE ARE NO EXPRESS OR IMPLIED WARRANTIES FOR EMERGENCY SERVICES.**

2. RECONSTRUCTION SERVICES. ☐ Yes ☐ No Owner's Initials: _____

BELFOR shall perform Reconstruction Services to assist with rebuilding and restoring the Property following a property loss (e.g., full-scale carpentry, electrical, mechanical, plumbing, roofing, interior build-out, and/or construction defect reconstruction, etc.). See attached scope of work (if available).¹ If an approved scope of work is not available, Owner may request BELFOR to perform a mutually agreeable general anticipated scope as specified by Owner or Owner's insurance carrier based on information the parties possess at the time of signature, and BELFOR will supplement the scope of work as more information becomes available.

3. CONTENT SERVICES. ☐ Yes ☐ No Owner's Initials: _____

BELFOR shall remove, store, and/or clean Owner's personal property in connection with the loss at the Property. (a) Owner represents that it has provided a contents inventory list to its insurance carrier(s) in connection with its insurance claim, if applicable. (b) BELFOR is not responsible for missing or damaged property unless the personal property is listed on a BELFOR inventory list, if any. Notwithstanding the foregoing, BELFOR is not responsible for missing or damaged Contents, regardless of whether it is on any inventory list, if such Contents are deemed a total loss or unsalvageable by BELFOR (in its sole discretion) or Owner's insurance carrier. (c) Owner shall retrieve, or accept delivery of all stored or removed property within the earlier of ninety (90) days of project completion or ninety (90) days of notice by BELFOR. **OWNER CONSENTS TO THE DISPOSAL OF ALL PROPERTY REMOVED OR STORED BY BELFOR WHICH IS NOT RETRIEVED OR ACCEPTED BY OWNER FOLLOWING THE EXPIRATION OF THE 90-DAY PERIOD. OWNER IS RESPONSIBLE FOR ANY DISPOSAL COST.** (d) If content cleaning and restoration are part of Contents Services scope of work, then BELFOR shall use commercially reasonable efforts to recover and restore the salvageable Contents as nearly as possible to their pre-loss condition; provided, that contents are being transferred to BELFOR in already damaged or used conditions such that results of restoration vary and BELFOR does not guarantee that contents will be restored to pre-loss condition.

4. CLEANING SERVICES. ☐ Yes ☐ No Owner's Initials: _____

(a) BELFOR shall perform cleaning services pursuant to an agreed upon scope for the Property and its contents and according to the protocol attached to this Contract or as otherwise agreed upon by the parties. (b) Cleaning Services are complete once BELFOR states it has completed the Work according to such protocol or, if an environmental professional was retained to establish a site specific protocol and supervise the performance of the Work, then Work is complete once the professional determines that BELFOR has performed the Work in accordance with its protocol. Owner shall immediately produce a copy of the professional's report and/or clearance to BELFOR. (c) While the cleaning process used at the time the Work is to be performed is reasonably believed to be effective against SARS-CoV-2 together with any mutation, adaption, or variation thereof (the "Virus"), an inherent danger and risk of exposure to the Virus may exist in any place where people are present and recontamination may occur after a human has entered the area that has been cleaned. **AS SUCH, BELFOR DOES NOT MAKE AND HEREBY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES OR**

¹ In some instances, due to the nature of the damage, it is not possible to define a precise, itemized scope of work and cost thereof at the time of signature.

REPRESENTATIONS THAT THE PROPERTY WILL BE FULLY DISINFECTED FROM THE VIRUS OR OTHER MICROORGANISMS AND OWNER WAIVES ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE WARRANTIES OF HABITABILITY, GOOD WORKMANSHIP, AND FITNESS FOR INTENDED PURPOSE AS IT RELATES TO SUCH WORK.

5. PRICING. The following terms apply to all types of services: (a) For Work covered by insurance: (i) Owner shall pay BELFOR the amount of the insurance deductible, if any, prior to BELFOR having any obligation to commence the Work and (ii) Owner consents to any increase in the scope of Work authorized by Owner's insurance carrier. (b) Owner acknowledges that Work performed under a particular contract that is subject to Federal and State wage and hour laws, prevailing wages, and/or collective bargaining agreements may require negotiated changes to the above stated rates at BELFOR's discretion. If necessary, adjustments will be made by BELFOR to the hourly rates and other labor provisions. (c) For residential clients only, unless otherwise waived by Owner, the Owner shall have three days to cancel this Contract consistent with the attached Notice of Cancellation. (d) If the pricing is based on BELFOR's rate and material schedule, the parties may attach the same or Owner may initial such schedule in which case it shall automatically be incorporated into the Contract without further action of the parties.

(A) **Emergency Services Pricing.** Check the box that applies:

☐ The Price of Emergency Services is based on BELFOR's rate and material schedule.

☐ For residential owners only, if requested by Owner's insurance company at the time of loss prior to commencing work and BELFOR agrees, the Price of Emergency Services, materials, equipment, and supplies may be calculated by a scope of work generated by an insurance industry software program (e.g., Xactimate®). BELFOR shall be paid the amount calculated by an insurance industry estimating platform that utilizes unit pricing and estimating methodologies for performing Emergency Services for the local zip code area of the Property and agreed upon by BELFOR and Owner or Owner's insurance company.

(B) **Reconstruction Services Pricing.**

(1) Price: _____; (2) If Price is unknown at the time the parties sign this Contract, BELFOR may begin work at that time, but has no obligation to, until the Price is either: (i) agreed to by the parties; or (ii) the Price is determined by the scope of work approved by Owner or Owner's insurance company, and agreed to by BELFOR, plus any Uninsured Work, as defined in Section 7. Once Price is established under this Section, the parties shall mutually agree to a BELFOR estimate and such Price and scope of work shall automatically be incorporated into this Contract without further action by the parties. (3) For Work covered by insurance, Owner agrees that its insurance carrier and BELFOR shall discuss the scope of work and pricing for Reconstruction Services based on either a rate and material basis or based on an insurance industry software program agreeable to BELFOR.

(C) **Contents Services Pricing.** The Price for Content Services may be part of the overall pricing when BELFOR is providing either Emergency Services or Reconstruction Services or may be invoiced separately.

(D) **Cleaning Services Pricing.** The Price of Cleaning Services shall be:

☐ _____; or ☐ based on BELFOR's rate and material schedule.

(E) **Other Costs.** Due to the current economic conditions and cost increases, this loss will have a 7.5% surcharge applied to the labor, equipment and material portion of all invoices.

6. PAYMENT. (a) Unless the parties agree to a different progress payment schedule, Owner shall pay BELFOR immediately upon receipt of invoice. (b) BELFOR agrees to accept the insurance proceeds received from Owner's insurance company as a form of payment for the Work. Notwithstanding anything to the contrary, Owner remains responsible for any Uninsured Work as defined in Section 7. (c) Notwithstanding anything to the contrary set forth in this Contract, BELFOR's right to timely and full payment of its invoice(s) shall not be contingent or conditioned on: (i) Owner awaiting funds from its insurer(s), any government agency, charitable organization, or any other third party; (ii) resolution of any disputes between the Owner and its insurer(s); or (iii) the insurers' payment or approval of BELFOR's invoices or charges. (d) Invoices not paid when due will accrue interest from the due date until paid at the rate of 1.5% per month or the maximum amount allowed by law, whichever is greater.

7. UNINSURED WORK. Owner is responsible for all Work not paid by Owner's insurance company (for example, this may include but is not limited to, policy limitations, deductibles, code-upgrade work, insurance depreciation value, remodeling, appliance upgrades, extra work, any change orders, and supplements not covered by insurance, etc.). Owner shall pay such amounts immediately upon receipt of invoice.

8. BELFOR REPRESENTATIONS. (a) BELFOR will: (i) maintain policies of insurance appropriate for the scope of work; (ii) provide all labor, equipment, and materials to repair the Property in accordance with the scope of work; and (iii) comply with local safety standards, local building codes, building permits and zoning ordinances. (b) For Reconstruction Services, BELFOR warrants to the Owner that all labor, materials, and equipment used or incorporated into the Work will be installed in a good and workmanlike manner free from defects in workmanship and that the Work will conform with the requirements of this Contract, industry standards, and all applicable codes. This warranty shall start on the date the Work achieves substantial completion and continue for one year and shall exclude, without limitation, damages or defects caused by abuse, modifications not executed by BELFOR, improper or insufficient maintenance, improper operation or normal wear and tear and regular usage. All warranties are non-transferable and contingent upon full payment to BELFOR. If the manufacturer warrants any goods or materials provided by BELFOR, BELFOR shall use best effort to transfer to the Owner all such warranties (and deliver all documents evidencing such warranties upon written request). Owner shall exclusively make all claims regarding the materials or equipment directly with its manufacturer. If a different warranty is required under a separate contract with Owner's insurance carrier or the carrier's third party administrator and such agreement is applicable to the Work, then such warranty shall apply.

9. START AND END DATES. (a) This Contract will start on or about 7/6/21. BELFOR estimates that it will substantially complete the work on or about 7/1. The start date and completion date may be delayed if the Work requires BELFOR to obtain building permits. (b) BELFOR shall not be liable for any failure or delay in the performance of the Work for the period that such failure or delay is beyond its reasonable control. Such delays include, but are not limited to, acts of God, delays in the delivery of materials, material or labor shortages, delays in approval from Owner's insurance carrier, delays in Owner making material selections, pandemics, embargoes, government orders, acts of civil or military authorities, acts by common carriers, or emergency conditions.

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10. ASSIGNMENT OF BENEFITS, AUTHORIZATION, AND ATTORNEY-IN-FACT. (a) Owner assigns to BELFOR Owner's right, title, and interest in any insurance proceeds, checks, or drafts issued for the Work. (b) Owner authorizes and directs its insurance carrier to name BELFOR USA Group, Inc. as sole payee on all insurance checks or drafts for all insurance Work performed by BELFOR and to directly and exclusively pay BELFOR for the amounts owed for the Work that are payable under the Owner's insurance policy(ies). (c) Owner shall immediately endorse and tender to BELFOR all checks or drafts from the Owner's insurance carrier or mortgage company for the Work performed. Failure to do so is a default such that interest shall accrue on such amounts at the rate stated in Section 6. (d) Owner shall obtain the endorsement of Owner's insurance or mortgage company or any other required third party if any is named as a payee on any check or draft for any portion of the Work. (e) Owner expressly authorizes Owner's insurance company to act as agent on Owner's behalf. (f) To protect BELFOR's right to collect the insurance proceeds, Owner irrevocably appoints BELFOR as its attorney-in-fact with full power and authority in the place and in the name of Owner: (i) except with respect to roofing systems, to discuss with Owner's insurance carrier or mortgage company the scope of work and its price on behalf of and with the power to bind the Owner; and (ii) to endorse in Owner's name any checks, drafts, and any other instruments that may come into BELFOR's possession with respect to the Work, insurance policy, or insurance proceeds. This power of attorney is coupled with an interest and is irrevocable until BELFOR is indefeasibly paid in full for all work and materials furnished. (g) All or part of subsection 10(a)-(f) shall not apply to the extent the applicable subsection(s) is not allowable under a separate contract between BELFOR and the Owner's insurance carrier or the carrier's third party administrator and such agreement applies to the Work.

11. RELEASES. (a) Owner releases BELFOR from: (i) work limitations or policy defenses imposed by Owner's insurer and for work not performed due to the refusal of Owner's insurance company to pay for it; (ii) claims for re-growth after "clearance" is obtained from an environmental consultant or due to un-remediated pre-existing conditions; and (iii) performing mold remediation not specifically described and included in an approved scope of work. (b) OWNER HEREBY DIRECTS BELFOR TO COMPLETE THE WORK AUTHORIZED BY OWNER AND ACKNOWLEDGES THAT BELFOR MUST BE RELEASED FROM LIABILITY WITH RESPECT TO ANY CLAIM ASSOCIATED WITH THE PERFORMANCE OF SERVICES THAT MAY BE LIMITED BY OWNER OR ARE IN ANY WAY AGAINST BELFOR'S RECOMMENDATIONS. TO THE FULLEST EXTENT PERMITTED BY LAW, OWNER, ITS AGENTS, REPRESENTATIVES, AND ANY PERSON(S) CLAIMING UNDER OR THROUGH OWNER (INCLUDING, BUT NOT LIMITED TO, PERSONS RESIDING AT THE PROPERTY), RELEASE AND SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS BELFOR, ITS PARENTS, SUBSIDIARIES, AFFILIATES, AGENTS, EMPLOYEES, AND SUBCONTRACTORS ("RELEASED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, LOSSES, EXPENSES (INCLUDING ATTORNEYS' FEES) OR SUITS OF ANY KIND OR NATURE ("CLAIMS"), WHETHER ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE, DEATH, PROPERTY DAMAGE, OR OTHERWISE, EXCEPT TO THE EXTENT CAUSED BY THE WILLFUL MISCONDUCT OR THE NEGLIGENT ACTS OR OMISSIONS OF A RELEASED PARTY. FURTHER, OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE RELEASED PARTIES AGAINST ALL CLAIMS IN CONNECTION WITH THE PRESENCE, DISCOVERY, OR FAILURE TO DISCOVER, REMOVE, REMEDIATE OR CLEAN-UP ENVIRONMENTAL OR BIOLOGICAL HAZARDS (E.G., MOLD, FUNGUS, ASBESTOS, AND HAZARDOUS WASTE, SUBSTANCES OR MATERIALS) UNLESS COVERED BY OWNER'S INSURANCE POLICY AND DESCRIBED IN AN APPROVED SCOPE OF WORK, AND THEN, ONLY EXCLUDING SUCH CLAIMS TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OF THE RELEASED PARTIES.

12. VALUABLE PERSONAL PROPERTY. Owner is responsible for removing and declaring, in writing, Owner's personal property from the Property (e.g., money, valuables, antiques, jewelry, firearms, pets, fine art) before BELFOR begins the Work. Owner waives any claims for content damage or theft against BELFOR for property not removed by Owner.

13. OWNERSHIP OF DOCUMENTS. BELFOR is the author and owner of all drawings, estimates, photos and other paperwork prepared by BELFOR relating to the Work ("Documents") and will retain all common law, statutory and other reserved rights, including copyrights. BELFOR's creation of Documents for conducting the Work does not bestow upon Owner any rights to those Documents, and any unauthorized use or distribution of the Documents is strictly prohibited. Upon termination of the Work, for any reason, Owner shall return all copies of Documents to BELFOR.

14. GENERAL CONDITIONS. (a) Notice is complete upon sending by email, overnight delivery, or first class mail to the billing address or email address provided by Owner. (b) Owner authorizes BELFOR to obtain Owner's personal credit report. (c) Owner shall not contract with other contractors or subcontractors to perform any work until BELFOR's Work is complete and permit is closed. (d) BELFOR may use subcontractors to assist BELFOR in performing the Work. (e) Notwithstanding anything to the contrary, Owner is personally liable for payment to BELFOR if: (i) Owner's insurer becomes insolvent; (ii) Owner's insurer denies Owner's claim for any reason; (iii) Owner's insurer fails or refuses to pay, in whole or in part, the cost of work performed and materials, equipment, and supplies furnished by BELFOR; (iv) Owner delays or prevents the payment of any insurance check or draft or uses any insurance check or draft issued for the Work for any other purpose other than to pay BELFOR; or (v) insurance proceeds are insufficient to cover the full cost of the Work. (f) Owner shall allow government and mortgage company inspections. (g) Owner shall obtain any required third party signatures on insurance checks or drafts. (h) BELFOR may suspend the Work if Owner fails to pay BELFOR's invoice within 30 days of receipt of invoice and fails to cure within 5 days written notice. (i) BELFOR may terminate this Contract for convenience and without penalty upon 5 days written notice to Owner. (j) In the event of termination, for any reason, Owner shall pay BELFOR for all Work performed up to the effective date of termination plus any incidental, direct, or actual costs incurred by BELFOR. (k) BELFOR is not responsible for any chemical sensitivities of Owner, tenant, occupant, or invitee. (l) If for any reason the amount due to BELFOR is not paid, BELFOR shall be entitled to recover the costs and its expenses of collection (including actual attorney's fees incurred) plus interest as set forth in Section 6. (m) Modifications to this Contract shall be in writing and signed by each party's authorized representatives before the modifications take place (which may include changes to the cost of or the scope of work, materials used, or estimated completion date). (n) Notwithstanding anything to the contrary, if the Owner's insurance carrier agrees to an original, revised, or supplemented scope of work, a written and signed modification of this Contract to effect that change in scope is not necessary. (o) Owner waives all claims against BELFOR for any consequential

damages, including, without limitation, loss of profits, lost business opportunity, loss or inability to use property or equipment, business interruption, and exemplary, punitive, special, incidental, or indirect damages.

15. IN GENERAL. (a) A party's failure to exercise or delay in exercising any right, power, or privilege under this Contract shall not operate as a waiver. (b) Any provision of this Contract that imposes an obligation after termination or expiration of the Contract shall survive termination or expiration of this Contract. (c) The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of the Agreement. (d) Except where expressly stated in this Contract, Owner may not assign the Contract or any right or obligation of this Contract without prior written consent of BELFOR. (e) This Contract, together with the documents referred to in this Contract, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, representations, and understandings of the parties, written or oral.

WAIVER OF THE LIST OF SUBCONTRACTORS AND SUPPLIERS:

(A) AN OWNER IS NOT REQUIRED TO WAIVE THE RIGHT GRANTED BY SECTION 53.256, PROPERTY CODE, TO RECEIVE FROM THE CONTRACTOR AN ORIGINAL OR UPDATED LIST OF SUBCONTRACTORS AND SUPPLIERS.

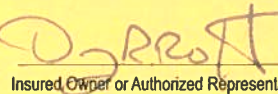
(B) BY SIGNING THIS DOCUMENT, I AGREE TO WAIVE MY RIGHT TO RECEIVE FROM THE CONTRACTOR AN ORIGINAL OR UPDATED LIST OF SUBCONTRACTORS AND SUPPLIERS.

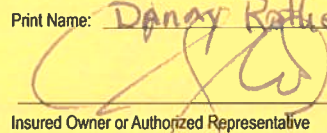
(C) I UNDERSTAND AND ACKNOWLEDGE THAT, AFTER SIGNING THIS DOCUMENT, THIS WAIVER MAY NOT BE CANCELED AT A LATER DATE.

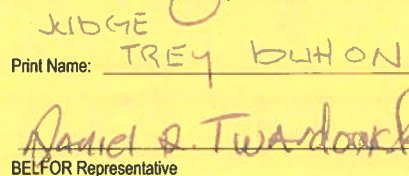
(D) I HAVE VOLUNTARILY CONSENTED TO THIS WAIVER

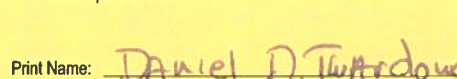
OWNER HAS THE RIGHT TO CANCEL THIS TRANSACTION AT ANY TIME BEFORE MIDNIGHT OF THE THIRD (3RD) BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION. THE RIGHT OF CANCELLATION IS WAIVED IN EMERGENCY SITUATIONS IN ACCORDANCE WITH THE ATTACHED WAIVER OF RIGHT OF CANCELLATION. THIS RIGHT TO CANCEL APPLIES ONLY TO RESIDENTIAL TRANSACTIONS.

IMPORTANT NOTICE: YOU AND YOUR CONTRACTOR ARE RESPONSIBLE FOR MEETING THE TERMS AND CONDITIONS OF THIS CONTRACT. IF YOU SIGN THIS CONTRACT AND YOU FAIL TO MEET THE TERMS AND CONDITIONS OF THIS CONTRACT, YOU MAY LOSE YOUR LEGAL OWNERSHIP RIGHTS IN YOUR HOME. KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.


Insured Owner or Authorized Representative Date 7/9/24

Print Name: Dany Rathe

Insured Owner or Authorized Representative Date 7/10/24

JIDGE
Print Name: TREY BUCHON

BELFOR Representative Date 7/8/24 7/9/24

Print Name: Daniel D. Twardon

BELFOR Representative Date 7/8/24 7/9/24

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DISCLOSURE STATEMENT

KNOW YOUR RIGHTS AND RESPONSIBILITIES UNDER THE LAW. You are about to enter into a transaction to build a new home or remodel existing residential property. Texas law requires your contractor to provide you with this brief overview of some of your rights, responsibilities, and risks in this transaction.

CONVEYANCE TO CONTRACTOR NOT REQUIRED. Your contractor may not require you to convey your real property to your contractor as a condition to the agreement for the construction of improvements on your property.

KNOW YOUR CONTRACTOR. Before you enter into your agreement for the construction of improvements to your real property, make sure that you have investigated your contractor. Obtain and verify references from other people who have used the contractor for the type and size of construction project on your property.

GET IT IN WRITING. Make sure that you have a written agreement with your contractor that includes: (1) a description of the work the contractor is to perform; (2) the required or estimated time for completion of the work; (3) the cost of the work or how the cost will be determined; and (4) the procedure and method of payment, including provisions for statutory retainage and conditions for final payment. If your contractor made a promise, warranty, or representation to you concerning the work the contractor is to perform, make sure that promise, warranty, or representation is specified in the written agreement. An oral promise that is not included in the written agreement may not be enforceable under Texas law.

READ BEFORE YOU SIGN. Do not sign any document before you have read and understood it. NEVER SIGN A DOCUMENT THAT INCLUDES AN UNTRUE STATEMENT. Take your time in reviewing documents. If you borrow money from a lender to pay for the improvements, you are entitled to have the loan closing documents furnished to you for review at least one business day before the closing. Do not waive this requirement unless a bona fide emergency or another good cause exists, and make sure you understand the documents before you sign them. If you fail to comply with the terms of the documents, you could lose your property. You are entitled to have your own attorney review any documents. If you have any question about the meaning of a document, consult an attorney.

GET A LIST OF SUBCONTRACTORS AND SUPPLIERS. Before construction commences, your contractor is required to provide you with a list of the subcontractors and suppliers the contractor intends to use on your project. Your contractor is required to supply updated information on any subcontractors and suppliers added after the list is provided. Your contractor is not required to supply this information if you sign a written waiver of your rights to receive this information.

MONITOR THE WORK. Lenders and governmental authorities may inspect the work in progress from time to time for their own purposes. These inspections are not intended as quality control inspections. Quality control is a matter for you and your contractor. To ensure that your home is being constructed in accordance with your wishes and specifications, you should inspect the work yourself or have your own independent inspector review the work in progress.

MONITOR PAYMENTS. If you use a lender, your lender is required to provide you with a periodic statement showing the money disbursed by the lender from the proceeds of your loan. Each time your contractor requests payment from you or your lender for work performed, your contractor is also required to furnish you with a disbursement statement that lists the name and address of each subcontractor or supplier that the contractor intends to pay from the requested funds. Review these statements and make sure that the money is being properly disbursed.

CLAIMS BY SUBCONTRACTORS AND SUPPLIERS. Under Texas law, if a subcontractor or supplier who furnishes labor or materials for the construction of improvements on your property is not paid, you may become liable and your property may be subject to a lien for the unpaid amount, even if you have not contracted directly with the subcontractor or supplier. To avoid liability, you should take the following actions:

(1) If you receive a written notice from a subcontractor or supplier, you should withhold payment from your contractor for the amount of the claim stated in the notice until the dispute between your contractor and the subcontractor or supplier is resolved. If your lender is disbursing money directly to your contractor, you should immediately provide a copy of the notice to your lender and instruct the lender to withhold payment in the amount of the claim stated in the notice. If you continue to

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