

PROGRESSIVE CONSTRUCTION SERVICES, LLC

3636 N. Custer Road, McKinney, TX 75071
972-974-2193

PROPERTY IMPROVEMENT CONTRACT

A1: We (the "Owner") authorize **Progressive Construction Services, LLC**, Hereinafter referred to as Contractor, to perform work on our property at the address below according to the following "Terms and Conditions" as well as the "Contract Conditions" and "General Conditions" which are contained in this Contract ("the Contract"). The effective date of this Contract is the last date set forth below.

A2: The Owner agrees that the total cost of the work will be in accordance with the original estimate and any change orders prepared by Contractor and agreed to by us. This Property Improvement Contract and all change orders shall constitute the contractual obligations of the Owner and Contractor. No verbal agreements are binding on Contractor.

A3: The Owner agrees that any portion of work, including additional work requested by us or required by building officials, must be paid in full by Owner before commencement of any additional work. Start-up and progress payments shall be made by us according to the payment schedule indicated below. We understand that each change we direct the Contractor to make shall have a minimum twenty-five dollar processing fee included in the cost of the change order. The schedule may be impacted by such changes and we agree to allow for related time extensions.

A4: If Contractor prepares the design, the Drawings, Specifications, and other documents prepared by the Contractor or their consultant shall be the instruments, and the property of, the Contractor. The Owner shall be permitted to retain copies of the Drawings, Specifications and other documents for information and reference in connection with the Owner's use and occupancy of the Project. The Drawings, Specifications, or other documents shall not be used by the Owner or others for additions, comparative bidding, or for completion of the Project, unless the contractor is adjudged to be in default under this Agreement, except by agreement in writing and with appropriate compensation to the Contractor. The Contractor will furnish schematic drawings only and will not be responsible for the accuracy, suitability, build ability, engineering, code compliance or any other factors due to the use of said drawings by any parties outside the Contractor's design/construction team

A5: The Contractor hereby submits specifications and estimates for:

WORK AS OUTLINED IN ORIGINAL & REVISED ESTIMATE NUMBER 2022-01-12-0925 DATED 1/24/2022 AND ATTACHED AS A PART OF THIS CONTRACT. THIS ESTIMATE NUMBER AND CONTRACT ARE IN ADDITION TO CONTRACT SIGNED WHEN WORK BEGAN.

A6: The contractor hereby proposes to furnish all labor and materials to complete the work in accordance with the specifications and/or estimate for the sum of Ninety-one Thousand Six Hundred Twenty-three 85/100--dollars (\$91,623.85)

A7: Payments shall be disbursed by a series of draws and progress payments as follows:

A7: ACKNOWLEDGED: "X" _____ (ALL Owners Initials)

1. \$45,811.92 - Due at start of project for deposit
2. \$15,270.64 - Due once cabinets are installed
3. \$15,270.64 - Due once tile work is complete
4. \$7,635.32 - Due once paint work is complete
3. \$7,635.33 - Due at Substantial Completion

Initials of Owner(s)

C10: If any of the provisions of this agreement, or any section, paragraph, sentence, clause, phrase, or word is found to be invalid, that invalidity shall be severable from this agreement and shall not affect the validity of the remainder of this agreement. Waiver of the Contractor of any breach of this agreement shall not be construed as a waiver of any continuing breach, or subsequent breach. Any statement or action by the Contractor or his employees relative to such breach or waiver thereof, shall not prevent or limit Contractor from asserting or exercising any rights upon any continuation of said breach or other subsequent breach.

C11: Each of the undersigned persons executing these contract documents on behalf of Contractor and Owner represent and certify that he/she has been fully empowered to execute these documents.

GENERAL TERMS AND CONDITIONS

G1: We understand your concern about the work to take place in your home. We will do our best to complete it as quickly as possible. In order to do so, here are some terms and conditions that will help us work together to get the job done with a minimum of inconvenience and delays.

G2: Quality Guidelines. Materials of like kind and quality will be used in the restoration work, and this is what our prices are based upon, unless otherwise specified. In the event that you request upgrades, there will be additional charges to you. Work will be completed using the "Residential Construction Performance Guidelines" as published by the National Association of Homebuilders, as our standard for performance.

G3: Timing/Scheduling. We cannot always provide a precise completion date due to many factors beyond our control such as weather, availability of certain materials or manpower, hidden damage, inspections from the building department, fabrication of certain products, delays in shipping, etc., for which we are not responsible.

G4: Labor. With the heightened demands on the labor and subcontractor market it is imperative that you understand that no schedule runs perfectly. Although we will make every effort to get our tradesmen to your job on schedule, delays happen. Because we offer emergency response services, as your job may have been, schedules sometimes have to be rearranged. In addition, restoration and remodel work often uncovers unforeseen details that can extend our anticipated completion time and push schedules back. Please bear with us as we do our best to keep your job, and many others, progressing. We try to schedule to the half day, however we cannot predict when emergencies will arise or delays will occur.

G6: Product Selection. Please choose your carpets, cabinets, paint colors, trim, stain, etc., before work starts. Sometimes cabinets can take two months or more to fabricate. Carpets may or may not be immediately in stock. Custom made or special items are not available off the shelf. Delay in these decisions will delay completion of the job. Your selections will be considered final decisions.

G7: Natural Products such as wood, wood veneers, stone, among others, have unique characteristics for color, texture, grain, feel, finish, etc. Due to the nature of the materials, exact matching is not possible. In addition, hardwood floors cannot be finished to a tabletop furniture finish and free of dust. We will work to industry standards, and ask that you evaluate hardwood flooring work from a standing position under normal lighting conditions.

G8: Manufactured Products. Due to changes in manufacturing methods, materials, and techniques some "equivalent" products produced today may not exactly match your existing products. We will attempt to match your existing conditions within reasonable tolerances.

G9: Construction Applications. As with all industries, some methods, materials, and techniques are no longer in common use. We can only work to today's conventions and may or may not be able to duplicate the treatment or method originally used on your property. Some examples include but are not limited to plaster work, galvanized water piping, shellac finishes, mud set tile work, wood plank roof sheathing, etc. We will work with you to resolve these differences.

G10: Carpet Seams. Please be aware that no carpet seam is invisible. This especially applies to Berbers. There is no guarantee for work on seams installed in pre-installed carpets.

G11: Demolition by its very nature will create dust. We will take reasonable care to contain the dust, but some dust will inevitably appear outside of the work area.

G12: Drywall Patches are never invisible; however we will do our best to match the existing work.

G13: Damage that is Pre-existing or Unrelated to the work is not included in the estimate of repairs unless otherwise indicated. This includes, but is not necessarily limited to, pre-existing paint on trim or other items, nicks, gouges, scratches, fading, stains, wear & tear or other damage, or imperfections to contents or the structure.

G14: Pets. We will do our best to keep pets from getting out of your home however; we cannot be responsible for them. Our presence may make them nervous and unpredictable. Pets can dart through open doorways while tools and materials are being moved around, or when work areas are being ventilated, etc. Please keep your pets under control and in a safe area.

G15: Cleaning: Unless specifically identified in your estimate, contractor is not responsible for cleaning any area of the structure, other than, normal sweeping and cleaning up of materials and waste items from the project.

G16: Special Conditions. The following conditions shall be made a part of this agreement.

G17: Binding Signatures: If the owners are married or otherwise partners, the owners agree that the signature of one shall be binding on the other for all purposes on this and any documents pertaining to this project.

G18: Return Check Policy: In the event the Owners bounce (NSF) a check or checks to Contractor the following will occur: 1) Contractor will promptly notify Owners; 2) Within 24 hours, Owner will deliver (not mail) to Contractor's office a Cashier's check covering the sum of these four items: a) the amount of the bounced check (s); b) all contractor's bank charges for processing the bad check(s), in the amount of \$25.00 per check; c) any and all bank charges from any checks written by Contractor that bounce as a direct result of owner's bad check(s); and d) a processing fee of \$50.00 to cover Contractor's administrative expenses.

G19: Property Security Release. During the course of repairs, we will send our employees, vendors, and trades people into your home to make repairs. In order to minimize the potential for loss, damage, theft, or mysterious disappearance of articles in your home, please take the time to get your valuables and special possessions out of harm's way. We can assist you with this task, but only if requested. Please note that, as stated above, "the company is not responsible for the theft, disappearance of, or damage to, jewelry, art objects, silver, gold, cash, antiques, documents, guns, liquor, or other personal and/or valuable items unless these items are removed and inventoried by company personnel and stored in company facilities". For our mutual protection, please be advised that it is your responsibility to secure all valuables, until our work has been completed. We urge you to remove these items from the dwelling before work begins. For our records we request that you indicate below with your signature that you have read and understand this request, and all of the conditions of this agreement, and that you will comply with them.

G20: Code Upgrade Requirements: If the city, state, federal government or other officials require certain Code Upgrades for your property and these upgrades are not outlined in the estimate of work, the additional cost will be charged to the Owner. Owner is responsible for any and all code upgrade costs.

G21: JURY TRIAL WAIVER: The Owner and Contractor waive any and all right to trial by jury in any legal proceeding arising out of or related to this Contract.

G22: The validity of this Contract, its construction, interpretation, enforcement, and any issues arising from or related to this Contract will be construed in accordance with laws of the State of Texas. Exclusive venue for any dispute arising from or related to this Contract shall take place in the County where the project is located.

G23: The Owners waive the right to the disclosure of the names of any subcontractors that will work on the project.

NOTICES AND DISCLOSURES

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 of this contract, you may lose your legal ownership rights in your home. **KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW."**

The Owner may rescind this Contract without penalty or charge within three days after the execution of the contract by all parties, unless the work and materials are necessary to complete immediate repairs to conditions on the property that materially affect the health or safety of the owner or person residing in the homestead and the Owner(s) acknowledge such in writing.

Required Disclosure - This contract is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from a construction defect. If you have a complaint concerning a construction defect and that defect has not been corrected as may be required by law or by contract, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code. (See Additional Disclosures on Attached Exhibit "A").

Due to the nature of the work and the settlement process, no completion date is specified. We understand that emergency services needs of others may occasionally require Contractor to interrupt production of our job.

The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be as outlined in the contract.

Date _____

Owner's Name: _____ (Printed) Owner*: _____

Street: _____ City, State, Zip: _____

Owner's Name _____ (Printed) Owner*: _____

Street: _____ City, State, Zip: _____

SPOUSE MUST SIGN CONTRACT - AS WELL AS ANY OTHER OWNERS

Contractor: _____ Justin Humphrey DEPOSIT CK: # _____

Progressive Construction Services, LLC

*****An additional 3.75% fee will be charged on all credit card transactions*****

Initials of Owner(s)

Exhibit "A"

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 pay the contractor after receiving the written notice without withholding the amount of the claim, you may be liable and your property may be subject to a lien for the amount you failed to withhold. (2) During construction and for 30 days after final completion, termination, or abandonment of the contract by the contractor, you should withhold or cause your lender to withhold 10 percent of the amount of payments made for the work performed by your contractor. This is sometimes referred to as 'statutory retainage.' If you choose not to withhold the 10 percent for at least 30 days after final completion, termination, or abandonment of the contract by the contractor and if a valid claim is timely made by a claimant and your contractor fails to pay the claim, you may be personally liable and your property may be subject to a lien up to the amount that you failed to withhold.

If a claim is not paid within a certain time period, the claimant is required to file a mechanic's lien affidavit in the real property records in the county where the property is located. A mechanic's lien affidavit is not a lien on your property, but the filing of the affidavit could result in a court imposing a lien on your property if the claimant is successful in litigation to enforce the lien claim.

SOME CLAIMS MAY NOT BE VALID. When you receive a written notice of a claim or when a mechanic's lien affidavit is filed on your property, you should know your legal rights and responsibilities regarding the claim. Not all claims are valid. A notice of a claim by a subcontractor or supplier is required to be sent, and the mechanic's lien affidavit is required to be filed, within strict time periods. The notice and the affidavit must contain certain information. All claimants may not fully comply with the legal requirements to collect on a claim. If you have paid the contractor in full before receiving a notice of a claim and have fully complied with the law regarding statutory retainage, you may not be liable for that claim. Accordingly, you should consult your attorney when you receive a written notice of a claim to determine the true extent of your liability or potential liability for that claim.

OBTAIN A LIEN RELEASE AND A BILLS-PAID AFFIDAVIT. When you receive a notice of claim, do not release withheld funds without obtaining a signed and notarized release of lien and claim from the claimant. You can also reduce the risk of having a claim filed by a subcontractor or supplier by requiring as a condition of each payment made by you or your lender that your contractor furnish you with an affidavit stating that all bills have been paid. Under Texas law, on

final completion of the work and before final payment, the contractor is required to furnish you with an affidavit stating that all bills have been paid. If the contractor discloses any unpaid bill in the affidavit, you should withhold payment in the amount of the unpaid bill until you receive a waiver of lien or release from that subcontractor or supplier.

OBTAIN TITLE INSURANCE PROTECTION. You may be able to obtain a title insurance policy to insure that the title to your property and the existing improvements on your property are free from liens claimed by subcontractors and suppliers. If your policy is issued before the improvements are completed and covers the value of the improvements to be completed, you should obtain, on the completion of the improvements and as a condition of your final payment, a 'completion of improvements' policy endorsement. This endorsement will protect your property from liens claimed by subcontractors and suppliers that may arise from the date the original title policy is issued to the date of the endorsement."