

Consent to E-Delivery of Documents and Installation Updates:

Check boxes below

Contract Delivery

☑Accept E-Delivery: I agree that you can provide me with electronic copies of the contract, including the Special Terms and APR Information, that I sign on this device, and all accompanying paperwork and subsequent documents related to this contract, by email at the email address I have provided and verified below. I understand that I must have Internet access to that email address via appropriate equipment and software, as well as with the capability to read, print, and store emails and attached PDF formatted documents, and I represent that I have such capabilities. I have the right to withdraw e-delivery consent. If I withdraw e-delivery consent, I will be unable to execute this contract electronically unless I receive the contract in paper form in person. Withdrawing my consent will not affect this transaction if this transaction was processed prior to my withdrawal. If I want to receive paper copies of my signed contract and accompanying paperwork at my home, I can request such copies at no charge by sending an email to contractrequests@empiretoday.com or by calling you at 1-866-588-2325.

My contract and all accompanying paperwork will be sent via email to:

Primary Email Address meneni.shamili@gmail.com **Secondary Email Address**

□ **Decline E-Delivery:** I do not want electronic delivery of my documents. Please send me a paper copy of the contract that I sign on this device, accompanying paperwork and subsequent documents by overnight delivery service to: [Select one]

Updates on My Installation

Contact me with installation updates at (412) 652-8999. Message and data rates may apply. I consent to <u>Terms of Use</u> and <u>Privacy Policy</u>.



Contract Payment Details

Buyer 1 Buyer 2

Shamili Meneni

Billing Address
1801 Nightingale Dr
1801 Nightingale Dr

Aubrey TX 76227 Aubrey TX 76227

Contract Amount	\$10,894.07
Empire Service Plan	Waived
Tax Applicable	\$0.00
Contract Total	\$10,894.07
Deposit Amount	\$3,000.00
Deposit Method	Credit Card
Amount Financed	\$0.00
Balance Due	\$7,894.07
Estimated Start Date	10/3/2022
Estimated Completion Date	30 days from start date

Price and Payment Terms

All financing subject to third party lender and credit approval. Empire Today, LLC is neither a lender or broker. By signing below, I confirm that I have reviewed and agree that the contract amount and payment details, including deposit amount and balance due, are full, accurate and correct based on my selections included on the prior Product Specification screen, and that I am not relying on any oral or written modifications or promises relative to these contract payment details.

I agree and understand that if I finance the work by Empire or a third party, my separately provided financing documents will include the number of monthly payments and the amount of each payment, including any finance charge.

If I pay by check, I authorize Empire Today, LLC to initiate debit entries via my checking or savings account provided on my check for the deposit and balance totals and on the dates due pursuant to this contract, and further agree that such check may be converted to an ACH transaction and collected electronically as an ACH debit using the payment information (routing number, account number, check serial number, and dollar amount of the transaction) obtained from my check provided. I (we) agree that this authority shall remain in full force and effect until Empire Today, LLC has received written notification from me (us) of its termination in such time and in such manner as to afford Empire Today and its depository institution a reasonable opportunity to act on it.

It is agreed and understood by and between the parties listed below, that this Agreement, above and below, and any Specification Sheet(s), Contract Payment Details (including the Special Terms and APR Information, if applicable), Installation Checklist, or addendum(s), constitutes the entire understanding between the parties, and there are no written or spoken understandings changing or modifying any of the terms of this Agreement. This Agreement may not be changed or its terms modified or varied in any way unless such changes are in writing and signed by both the Buyer(s) and Empire. An Empire yard sign may be placed on your front lawn for the duration of the installation.

YOU, THE BUYER(S), MAY CANCEL THIS TRANSACTION AT ANYTIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ACCOMPANYING NOTICE OF CANCELLATION FORM(S) FOR AN EXPLANATION OF THIS RIGHT TO CANCEL



Product Specifications

Please Read

It is agreed and understood by and between the parties that this Product Specification, along with all of the other pages of this agreement that I sign (collectively, the "Agreement") constitutes the entire understanding between the parties, and there are no written or spoken understandings changing or modifying any of the terms of this Product Specification. I hereby acknowledge that I have read and accept this Product Specification.

Carpet

Room NameCollectionSeriesStyleCloset masterTextureAllureEnchanting

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Master Bedroom Texture Allure Enchanting

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Move Belongings Standard Furniture (Up to 200 lb ea, 8 Items per room)

Office Texture Allure Enchanting

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Move Belongings Standard Furniture (Up to 200 lb ea, 8 Items per room)

Bedroom Texture Allure Enchanting

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Move Belongings Standard Furniture (Up to 200 lb ea, 8 Items per room)

Foyer Texture Spotlight Fame

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Move Belongings Standard Furniture (Up to 200 lb ea, 8 Items per room)

Other movies Texture Spotlight Fame

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No



Bedroom 2 Texture Spotlight Fame

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Bedroom 3 Texture Spotlight Fame

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Staircase Texture Spotlight Fame

Option Name Value

Take Up Carpet Over Pad
Padding Vegas Plus 8lb 1/2" w/ Barrier

Installation Method Tackless - Texture

Haul Away Yes Embossing Leveler No

Stairs - Waterfall/Runner



Terms & Conditions

Please Read

1205 Post & Paddock, Grand Prairie, TX 75050, 800-588-2300, empiretoday.com

"I", "my," and "me" mean each person who signs this Agreement as a buyer. "Empire" means Empire Today, LLC, the contractor. "We" and "us" mean both the buyer, or buyers if more than one, and Empire.

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.

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 or initiate arbitration. 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.

Empire's Promises: Empire promises to perform all work in a professional manner and within industry standards. Empire will remove and transport away from my property any debris and waste materials that are generated by Empire, as well as any old flooring or other items that are being replaced, unless I ask them not to do so.

My Promises: I promise to Empire that (a) I will provide Empire with reasonable access to my property and the area in which the work is to be performed, including access to electrical outlets; (b) I will be responsible for safely moving and reinstalling any breakable items, extra-heavy furniture such as pianos, stoves, pool tables, etc., and for disconnecting any electrical appliances in the work area – all to ensure that Empire has proper and safe access to the work area; (c) If I am removing any existing carpeting, I need to remove it at least 1day before Empire does any work. If I have Empire remove any carpeting, I will tell Empire where to dispose of it. I understand that I should save any unused carpet to use for future unforeseen damage; and (d) If I ask Empire to leave old materials that are being replaced on my property, I understand that Empire will not be responsible for damage to those items, and that those items may not function after Empire has replaced them.

Warranties/Intended Use: I understand that I should read Empire's written warranty for complete details of my warranty coverage and that the warranty is available for my complete review before I sign this Agreement. I understand that the warranty will not be effective or enforced while a balance due remains outstanding on this Agreement.

Late Cancellation/ Late Payment/Default: I understand that I have 3 business days to cancel this Agreement, as described on the Notice of Right to Cancel. I understand that if I want to cancel this Agreement after those 3 days, Empire does not have to allow that. As much as we hope that you'll never need to cancel your contract, if Empire does allow that, however, I agree I will pay to Empire a late cancellation fee of 25% or as otherwise allowed by applicable law, of the Agreement's purchase price for in-stock flooring and carpet purchases, or 50% or as otherwise allowed by applicable law, of the Agreement's purchase price, for Window Treatments or Special Order Flooring. This Cancellation fee may be retained by Empire from my deposit, and helps Empire to offset the costs of order including scheduling, preparation and operational expenses attributable to my order, and placement of special order product, if applicable. I also agree that if I do not pay Empire any of the money owed when it is due, I can be charged a late fee of 1.5% or as otherwise allowed by applicable law, on the amount owed for each month the money is owed and not paid. I also agree that if my payment is returned unpaid by my financial institution, I authorize the electronic debit or use of a bank draft drawn from my account in the amount of the payment plus a service charge of \$25, or the maximum allowed by law. I also agree that if I default on my promises under this Agreement, and Empire hires an attorney to enforce this Agreement, that I will pay Empire its reasonable legal fees and related costs or expenses, as long as it is legal for me to do that.

Delay/Unknown Conditions: I understand that if Empire determines within 30 days of the date of this Agreement that Empire cannot perform the work according to Empire's normal professional standards, then Empire can cancel this Agreement, notify me in writing of the cancellation, and return my money. I understand that some of the things that could cause Empire to cancel this Agreement would be incorrect pricing, unforeseen structural defects, or unknown pre-existing conditions to my property. I understand that Empire is not responsible for structural or other defects in my property, and that Empire's products do not cure those types of problems. I also understand that the work could be delayed by events that Empire does not control, and that is acceptable to me. Some of the things that could cause the work to be delayed would be Acts of God, labor strikes, inclement weather, material shortages, my inability to qualify for or obtain financing, delays by local government authorities in issuing or otherwise approving inspections, permitting, or other required authorizations for the work.

Permission to Photograph: I grant Empire (i) permission to take and have taken before and after photos of my property ("Photos"): and (ii) the worldwide, perpetual and irrevocable right to reproduce, publish, display, exploit, edit, sublicense, assign and otherwise use Photos without the restriction in all media for any purpose. I represent that I have the necessary authority to grant these rights without consent from others and will indemnify Empire from any claims related to its use of Photos.



No Set-Offs or Retentions: Lagree that when the work is "substantially complete", I will pay Empire the balance due on the purchase price. I understand that "substantially complete" means the work has been materially finished, functional as intended, and a final inspection, permit, or occupancy certificate, if required, has been obtained. Lagree that once I have paid the entire purchase price, if I believe any of the work performed by Empire is defective, Empire will inspect the work and will perform any service I am entitled to under this Agreement and/or warranty.

Payment Terms: I agree and understand that I will pay Empire the balance due on any purchased product at the time Empire begins installation of that product. Total product amount exceeds actual room square footage for seaming, irregular room sizes, nap matching, layout and other factors for proper installation. I agree and understand that if I purchase more than one product from Empire, I will pay the balance due on each product at the time Empire begins installation of each product. I understand that if I apply to fully finance the Contract Price, and full financing is approved, I may request a refund of my deposit from Empire. When you provide a check as payment, you authorize us to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

Security Interest: I understand and agree that Empire may have a security interest in the products Empire is installing in my home to ensure that Empire is paid. I understand that this security interest is governed by the Uniform Commercial Code and other laws applicable to security interests. I agree that the products are and will remain my personal property, even if the products become attached to my real property. I also agree and understand that in the event that I do not pay Empire any of the money owed when it is due, Empire may have a claim against me that may be enforced against my property in accordance with the applicable lien laws. I also understand that if I finance the work with Empire or a third party, my separately provided financing documents may include a security interest. I understand that I should read those documents closely.

Assignment: I agree that Empire can assign its rights and responsibilities under this Agreement to other companies, but that my rights will not be affected if Empire does this. I understand that sales and installation of Empire's products are provided by qualified and experienced independent contractors.

Interpretation of this Agreement: I agree that this Agreement will be enforced under the laws of the state of Illinois, except to the extent preempted by federal law. If any part of this Agreement is determined to be invalid or illegal, then I agree that the rest of this Agreement will still be valid and enforceable. We both understand that this Agreement and any attachments make up the entire understanding between us about the work Empire is doing. There are no other oral or written agreements or representations on which we are relying. We both agree that any change to this Agreement must be in writing and signed by both of us. The paragraph headings contained in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement.

Condensation and Environmental Conditions: Condensation, which can form on or within walls or other surfaces (such as window panes), results from pre-existing conditions in a home and internal or external temperatures. Reducing the humidity in a home will often remedy any condensation problems. I agree that Empire is not responsible for condensation or existing or developing spore or mold growth, which can be the result of condensation. There is conflicting evidence as to whether or not the existence of accumulation of molds (of which there are many different types and varieties) can be harmful to humans. I agree to inspect all work areas prior to construction being performed to ensure that there is no mold or mildew present, and that if any such mold or mildew does exist, I will have it tested and cleaned up prior to Empire performing any services. I agree that Empire and its employees, authorized contractors, and subcontractors are not responsible for the identification, detection, abatement, encapsulation, disturbance, or removal of mold, asbestos, lead-based products, or other hazardous substances inside or outside of my home. New carpet, padding, and adhesives can emit compounds, which some people may be sensitive to or may find to have an unpleasant odor. Please ventilate any areas of new installation with fresh air for at least 48 hours before use, or until any noticeable odors dissipate. Persons with known sensitivities to such compounds or with allergies should consider avoiding the area of new installation for at least 24 hours after any noticeable odors have dissipated.

Damages: I understand that Empire is not responsible for (a) damages due to strikes, fires, accidents, floods, governmental actions, or any other causes beyond Empire's control; (b) lost profits or a reduction in the value of my property arising from a delay in Empire performing under this Agreement or a breach of this Agreement by Empire; or (c) unintentional damage to molding, landscaping, gas lines, electrical wiring, plumbing, telephone installations, or to interior walls, or my personal property.

Arbitration of Disputes: We both agree that any disputes (which we will call a "Claim") relating to this Agreement in any way, including for example (a) the relationship between us from this Agreement; (b) the terms of this Agreement; or (c) the validity of this Agreement or the validity of this arbitration provision, will be resolved with binding arbitration, to be kept confidential between us. We agree that the arbitration will be decided by one arbitrator, in accordance with the Consumer Rules of the American Arbitration Association ("AAA"), and that the arbitration will be held in the County where the work was performed. I agree that I will not assert a Claim on behalf of, or as a member of, any group or class. I understand that Empire may still file a lawsuit against me to collect any money I owe Empire, as long as any other disputes Empire has with me are brought under arbitration. I understand that the arbitration decision will be confidential, final, and binding. I understand that we each will be responsible for our own fees and costs in the arbitration, unless otherwise determined by the arbitrator. Whoever asserts the Claim will file a notice of the demand for arbitration with the other party and with AAA. I understand that the demand for arbitration must be made within a reasonable time after the Claim in question has arisen, and may not be brought at all if legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. We are both agreeing to choose arbitration, rather than litigation or some other means of dispute resolution, to work out our grievances. We both believe this will allow a faster and more cost-effective method of solving a Claim. By entering into this Agreement and this arbitration provision, we are giving up any right to have a dispute decided in a court of law before a jury, and instead are accepting the use of arbitration, other than if Empire files a lawsuit against me to collect money I owe Empire.



We are both agreeing to choose arbitration, rather than litigation or some other means of dispute resolution, to work out our grievances. We both believe this will allow a faster and more cost-effective method of solving a Claim. By entering into this Agreement and this arbitration provision, we are giving up any right to have a dispute decided in a court of law before a jury, and instead are accepting the use of arbitration, other than if Empire files a lawsuit against me to collect money I owe Empire.



Buyers Signature

By electronically signing my name below, I agree to conduct this transaction using electronic means, which shall have the same effect as if I signed this Agreement in ink on paper, and I confirm that I have read, understand, approve, accept and agree to the following for which I am not relying on any oral or written modifications or promises (the "Agreement"):

- Product Specifications, which are complete, accurate and correct based on my selections.
- Contract Payment Details, including the detailed price and payment terms, and including that if my subfloor needs to be repaired or replaced, either: (1) I will be responsible for the repair or replacement and all charges related thereto, or (2) if able, Empire will repair or replace my subfloor and I agree to pay Empire an additional amount for this work.
- Terms and Conditions and related disclosures.
- Know Your Rights accompanying this contract and incorporated herein.
- Notice of Right To Cancel: I have been informed orally and in writing that I THE BUYER(S), MAY CANCEL THIS TRANSACTION AT ANYTIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION PER THE ACCOMPANYING NOTICE OF CANCELLATION FORM(S) INCORPORATED HEREIN.
- Installation Checklist and Terms accompanying this contract and incorporated herein.

Family-		
Shamili Meneni	 	



Sales Representative's Signature

By signing below, I represent that I provided the foregoing to the customer for review and signature, and that the customer has signed in each place where required, and I confirm and certify that I have served as sales representative for this contract.

milotely



Installation Checklist

We hope you have a great flooring installation experience. To help deliver this, we want to confirm some details:

- Installation Date and Time We must confirm scheduling details with you. We need two good phone numbers for you including one mobile and you agree we may contact you including, but not limited to, by autodialer, prerecorded message or text. By agreeing to this Pre-Installation Checklist, You specifically consent to the Privacy Policy and Terms of Use on our website. If we are unable to reach you, contact the Customer Service Team at 800-588-2300®. Installations generally occur between 8 a.m. and 6 p.m. We will provide an estimated window for arrival the morning of your installation.
- Responsible Adult An authorized adult must be on-site for the duration of installation and to provide payment. Empire accepts major credit cards, money orders, certified checks, and personal checks subject to approval. At the start, the adult must verify product, color(s) and installation area(s), and when complete, walk through the installed area(s) and sign a Certificate of Completion (for financed purchases, the customer who signed the contract must sign the Certificate of Completion).
- Installation Requirements To ensure proper installation:
 - Before installation, you are responsible for disassembling and/or moving beds and built-in furniture; draining waterbeds; disconnecting electronics, appliances (including gas lines) and plumbing (and reconnecting when complete); removing from the installation and access areas, and storing in a safe location: furniture (unless you purchased standard furniture moving), objects (clothes, toys, shoes), knick-knacks, breakables, valuables, pictures, wall hangings, grandfather clocks, pool tables, filled aquariums, and pianos. Remove draperies and disconnect window alarms and components for window treatment installations.
 - Keep pets in a safe location.
 - You may need to touch up, paint or stain baseboards or walls (installers will do their best to be careful, but nicks, scratches and scoring of your baseboards and walls may occur). Please remove moldings prior to the installation and safely store them if you plan to re-use them. While installers will attempt to minimize and clean-up dust, you may wish to consider covering vents or other areas.
 - You are responsible to cut or adjust doors following installation if necessary. Installers will re-hang doors if possible.
 - Following installation, tile installation and grouting must remain free from foot traffic for 12 hours.
 - Maintain a temperature of 65° 85° 48 hours prior to installation, and appropriately use a humidifier.
 - Tell us if you have hidden low voltage wires, plumbing, radiant heat, or other factors that may be affected by the installation.
- **Subfloor** If, at or before the time of installation, it is suspected or determined that asbestos is present, installers will stop the installation until you have tested for asbestos, which must be removed by a licensed abatement company and a clean air certificate received before installation can continue. While installers will moisture-test concrete slabs before installing hard surface products, if testing requires corrective measures before the installation can proceed, this will be necessary at your expense. If the subfloor must be repaired or replaced, Empire may so do if you agree to pay for additional subfloor repair or replacement.

Please contact our Customer Service Team at 800-588-2300 if you have any additional questions about your purchase.



Notice of Right To Cancel

Please Read

NOTICE OF CANCELLATION
Date of Transaction: 09/23/2022

You may cancel this transaction, without any penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the Contract or Sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the Seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the Seller at your residence, in substantially as good condition as when received, any goods delivered to you under this Contract or Sale; or you may, if you wish, comply with the instructions of the Seller regarding the return shipment of the goods at the Seller's expense and risk. If you do make the goods available to the Seller and the Seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the Seller, or if you agree to return the goods to the Seller and fail to do so, then you remain liable for performance of all obligations under the Contract. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice or send a telegram to:

Empire Today, LLC Attn: Legal Department 333 Northwest Ave Northlake, IL 60164

NOT LATER THAN MIDNIGHT OF DATE:

For E-Delivery: 09/28/2022 For Mail Delivery: 09/28/2022

YOU, THE BUYER(S), MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ACCOMPANYING NOTICE OF CANCELLATION FORM(S) FOR AN EXPLANATION OF THIS RIGHT TO CANCEL.

THEREBY CANCEL THIS TRANSACTION	N.
Buyer's Name (Please Print)	
Buyer's Signature Date (Please Print)	



Notice of Right To Cancel

Please Read

NOTICE OF CANCELLATION Date of Transaction: 09/23/2022

You may cancel this transaction, without any penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the Contract or Sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the Seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the Seller at your residence, in substantially as good condition as when received, any goods delivered to you under this Contract or Sale; or you may, if you wish, comply with the instructions of the Seller regarding the return shipment of the goods at the Seller's expense and risk. If you do make the goods available to the Seller and the Seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the Seller, or if you agree to return the goods to the Seller and fail to do so, then you remain liable for performance of all obligations under the Contract. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice or send a telegram to:

Empire Today, LLC Attn: Legal Department 333 Northwest Ave Northlake, IL 60164

NOT LATER THAN MIDNIGHT OF DATE:

For E-Delivery: 09/28/2022 For Mail Delivery: 09/28/2022

YOU, THE BUYER(S), MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ACCOMPANYING NOTICE OF CANCELLATION FORM(S) FOR AN EXPLANATION OF THIS RIGHT TO CANCEL.

HEREBY CANCEL THIS TRANSACTION.
Buyer's Name (Please Print)
Ruver's Signature Date (Please Print)



Know Your Rights and Responsibilities Under the Law

Please Read

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.

<u>CONVEYANCE TO CONTRACTOR NOT REQUIRED.</u> 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 original list has been 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.

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 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, 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 a 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.

<u>DISCLOSURE DELIVERY.</u> By your signature below, you acknowledge that your contractor has provided you with this disclosure statement before you have executed the written agreement with your contractor for the construction of improvements to your property.