



# Work Authorization & Direction to Pay

\_\_\_\_\_, ("Owner") hereby authorizes **Project X Restoration LLC**. ("Project X") to mobilize and complete the necessary work to restore, rebuild, clean, and/or deodorize the building structure and/or contents and/or to provide emergency services as authorized by owner and/or insurance representative relating to the loss or work. The person signing below represents that they have the authority to do so on owner's behalf. Owner agrees to pay Project X for all labor, materials, and equipment utilized to mobilize, demobilize, and perform the work with pricing as outlined below.

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_ Date: \_\_\_\_\_

Loss Address: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Lump Sum Amount of: (\$ \_\_\_\_\_), per Estimate or Proposal dated, \_\_\_\_\_ Down Payment: \$ \_\_\_\_\_

Contractual Addendums: \_\_\_\_\_

If a Lump Sum amount is not inserted above, Owner understands and agrees that a Price will be determined at a later date, and will be determined by Project X's Time, Equipment, & Materials and/or independent pricing set for insurance restoration purposes by Xactimate. Project X T.E.M. available upon request.

Owner agrees to make payment directly to Project X for the work and for any deductible, depreciation, or amounts not covered by insurance for this work. Owner agrees to remove cash, jewelry, firearms, collectibles, or any valuable items prior to work start. Owner acknowledges the understanding and agreement to all terms and conditions on reverse side.

**Owner Requests that all payments pertaining to Project X work be paid directly to Project X by Owner's insurance provider, and to add Project X as additional payee on all claim payments. To the extent this does not occur, Owner assigns the insurance proceeds, to the extent they are on account of Project X'S work, to Project X.**

**PAYMENT TERMS: 50% Down Payment at time of contract, with progress invoices submitted per work complete, all payments due per Invoice & Payment Method on reverse.**

(Down payment covers mobilization, overhead, supervision, scheduling, materials, permits, and other initial costs)

**Owner/Representative:**

**Project X Representative:**

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Insurance Provider: \_\_\_\_\_

Claim Number: \_\_\_\_\_

Claim Rep: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

Deductible: \_\_\_\_\_

## TERMS & CONDITIONS

**Scope of Work & Additional Work:** Project X agrees to perform the scope of work referenced on page 1; owner agrees that any supplements or additions to work may be accomplished verbally or with a written change order. Supplemental work includes betterment; owner selected changes, and/or enforcement of code or ordinances by municipality or building department.

**Lump Sum Contract & Pricing:** A Xactimate estimate will be written to define the scope and pricing, if not based on time, equipment & materials. A copy of the same is available upon request. The estimated value for each line item multiplied by 40% for the replacement will equal the material cost of that item. If owner reduces the overall scope of work, overhead and profit originally calculated will still apply to the overall price. Project X at its option may utilize value engineering to complete the same work in a more efficient manner or in order to achieve a savings to Project X.

**Work Quality:** All work involving restoration and/or repairs is for the damaged work only and for like kind & quality craftsmanship and does not cover unaffected areas and does not cover restoring existing deficiencies. Estimate presumes original walls, floors and framing are plumb, square, and straight. Construction does not result in "Perfect Finishes" such as is found in manufacturing under a controlled environment. Our work will conform to existing qualities and will be governed by references published by the National Association of Home Builders, "Residential Construction Performance Guidelines". All construction debris will be removed from project and areas left in a swept and/or shop vacuumed quality cleaned condition.

**Contract Time:** Time is of the essence to this agreement and contractor will diligently pursue substantial completion of the work, but will not be held liable for delays due to deliveries, weather, owner or insurance carrier, scheduling of trade issues or any other conditions beyond contractor's control. Owner agrees to hold harmless contractor for any additional delays to work. Owner further agrees not to cause delays to project for any reason and to provide clear and continuous access to the work site from 7:00am to 5:30pm. Project X may at their option, place a 'LOCK BOX' at the property and assumes no responsibility for unauthorized entry. Owner agrees to provide electricity, heat, water, local telephone, and sanitary facilities. Substantial completion is the date when the property can be occupied for its intended use, not when the work is 100% satisfactory. Customer agrees to sign Certificate of Satisfaction upon project completion.

**Invoice & Payment Method:** If the insurance company does not pay Project X directly, Owner agrees to make payment to Project X for the Work, whether or not such Work is covered by insurance. Project X may invoice work for parts of work complete. Owner shall pay Project X the amount of each invoice no later than ten (10) days following Owner's receipt of the invoice. Interest shall accrue on payments not received within such time at the lesser of (i) the maximum lawful interest rate or (ii) one and one-half percent (1 ½ %) per month. Any remaining balance of the Contract Price after the above payments are made shall be paid no later than ten (10) days following completion of the Work. At the completion of Final Walk Through, owner must pay Project X for all sums less correction items on list. Items addressed after Final Walk Through will be placed on a warranty list and will not be subject to subtractions from final payments subject to limited warranty below.

**Limited Warranty:** Conditioned upon payment in full of all amounts due Project X, Project X warrants that the Work will be free from defects for a period of one year from the first day the Work is occupied or is ready to be occupied (whichever occurs first) by Owner and shall assign to Owner all applicable warranties of manufactures, supplies or others. Project X's warranty is limited to repair or replacement, at Project X's option, of the defective work and specifically excludes any equipment or materials covered by manufacturer's, supplier's or others' warranties, and also specifically excludes incidental or consequential damages. This warranty specifically excludes cracking, etc. of any concrete, drywall, plaster, caulking, sealant, tile, or any other product subject to movement of any kind. This warranty also excludes any loss caused by or consisting of any mold or microbial growth whether or not caused by Project X or their subcontractors or suppliers. Owner further agrees to hold Project X harmless from all claims for personal, professional, or property damage related to mold, microbial growth, fungi, mildew. Except as provided herein, there are no other expressed or implied warranties.

**Certain Owner Obligations:** Owner shall make customer selections within Project X deadlines or pay additional overhead fees to Project X and agrees to utilize the design center of contractor's choice to do so. If owner fails to make timely selections, Project X can make selections on behalf of owner with standard items. Owner agrees to allow Project X to communicate with insurance company in order to facilitate the processing and payment of the claim. Owner agrees to quickly facilitate the signing of any proof of loss and/or mortgage company inspections and/or endorsements to claim payments. Owner waives any right of recovery or subrogation against Project X to the extent of Owner's insurance coverage. Owner shall provide and maintain Property, Building, Personal Property, Builders Risk, "All Risk" and Premises Liability Insurance covering the Work, including all materials and supplies on site but not yet installed. Owner agrees to make claim for defects in construction pursuant to the Colorado Construction Defect Claims Act.

**Hazardous or Other Conditions:** Project X may halt the work upon any finding of hazardous substances or unsafe conditions. Project X will notify owner upon the discovery of any such items. Owner must notify Project X of any known hazardous items at the site including; asbestos, chemicals, lead, or other and owner shall indemnify and hold harmless Project X from and against any and all claims arising from or related to the Conditions, and Project X shall be entitled to payment from Owner for all costs, expenses and damages, including reasonable attorneys' fees and expenses, it incurs as a result of the Conditions. If conditions cause delay to project for more than 1 week, Project X may terminate this agreement. While Project X performs work related to and including the removal of mold and mold spores, owner agrees to hold Project X harmless from any and all claims for physical, personal, and/or mental damages related to or consisting of mold or microbial growth of any sort or manner.

**Default:** If Owner defaults in any of its obligations hereunder, Project X may, at its option, in addition to other remedies provided in this Contract or pursuant to applicable law or principles of equity, pursue one or more of the following remedies; suspend some or all of the Work until all defaults have been cured, upon three (3) days written notice to Owner, terminate some or all of Project X's obligations under this Contract, and/or recover all amounts due under this Contract plus all expenses and reasonable attorneys' fees and expenses incurred by Project X as a result of Owner's breach or Project X's enforcement of this Contract. In the event this Contract or Project X's obligations are terminated by Project X pursuant to the terms of this Contract, Project X shall be paid for all Work performed through the date of termination in an amount that will compensate Project X for all costs incurred, plus thirty percent of those costs. Project X retains the right to file a Mechanics Lien for services rendered and hereby notifies owner that Project X will file said liens to protect Project X's interest in the subject property. In such event, owner shall pay all interest charges and filing fees for the lien. Owner shall also pay Project X liquidated damages of \$100.00 for each owner delay.

**Dispute Resolution:** Any Controversy or claim arising out of or relating to this Contract or work performed pursuant thereto shall be resolved by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction. Project X shall be entitled to all reasonable attorneys' fees and other legal associated costs. Limitation, Waiver, and Venue: Owner and Project X agree that venue for any legal proceedings shall be Denver County, CO and that Colorado law shall govern all disputes relating to this agreement. The Arbitration shall be conducted by the American Arbitration Association. Owner agrees not to libel or slander contractor for any reason whatsoever and that in doing so to any source, agrees to indemnify contractor an amount equal to \$5,000.00 unless it can be proven that such libel & slander did not cause any damages. Owner and contractor further waive their right to trial by jury and any claims for consequential or punitive damages against each other.

**Entire Agreement:** This Contract, including the Attachments hereto, comprises the complete agreement of the parties and no representations or agreements have been made by either party except as expressly stated in this Contract. All modifications to this Contract shall be in writing and signed by both parties hereto. If any provision of this Contract becomes or is determined to be illegal or unenforceable for any reason, the remainder of the Contract shall remain in full force and effect.

Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Project X Restoration, LLC