

PROJECT CONTINGENCIES AND MATERIAL LIMITATIONS

Unforeseen Damage

Arrow Building & Coating Inc. is not responsible for unforeseen damage, defects, or imperfections that existed prior to commencement of the Work, unless the parties agree in writing to repair such conditions. Arrow Building & Coating Inc. will not be liable for failures, delays, or damages caused by circumstances beyond its reasonable control, including strikes, labor disputes, changes in the Work, fire, weather, or delays in obtaining materials from customary sources. If concealed or unexpected conditions are discovered, or if actual site conditions materially differ from those represented by the Customer, Arrow Building & Coating Inc. is entitled to a written Change Order for any resulting increase in contract time and/or price. Any Change Order shall be mutually agreed and shall be reasonably related to the additional Work required.

Texture and Color Matching Limitations

Arrow Building & Coating Inc. utilizes professional-grade materials and industry-standard application techniques to achieve the highest quality finish; however, the Customer acknowledges that an exact one-hundred percent (100%) match for stucco textures, paint colors, or integrated color coats is not guaranteed. Variations in surface porosity, age-related fading, UV exposure, and original material composition of the existing substrate make it impossible to perfectly replicate an aged finish with new materials. For stucco and plastering, texture matching will be performed as closely as possible to the surrounding area using contemporary sand aggregates, but slight variations in depth and pattern may remain visible. Regarding paint and color coats, while the Contractor utilizes advanced color-matching technology, "flash" or "shadowing" may occur between new and weathered surfaces. Arrow Building & Coating Inc. recommends a full "corner-to-corner" application or a complete color coat resurface to achieve the most uniform appearance. By executing this Contract, the Customer accepts that the Contractor's obligation is to provide a "reasonable and workmanlike" match as defined by industry standards, rather than an identical reproduction.

Wood Damage

Repair of damaged or decayed wood (such as dry rot, termite damage, or structural deterioration) is not included in the base contract price, as the extent of such damage is often hidden from view. Any necessary wood repairs discovered during the project will be billed at a rate of **\$100.00 per man-hour** plus the cost of materials, unless otherwise specified in the "Scope of Work." All such repairs will be documented and authorized through a written **Change Order**. Arrow Building & Coating Inc. will provide notice to the Customer upon discovery of damaged wood before proceeding with repairs.

Open Beams

Failure to notify Arrow Building and Coating Inc. of any open beams will relieve Arrow Building and Coating Inc. of any damages resulting from nails penetrating open beams.

Tear Off, Debris, and Interior Protection

The removal of existing roofing, siding, or stucco generates significant vibration, dust, and debris. Customer assumes sole responsibility for securing or removing all valuables, wall hangings, fragile items, and light fixtures from both the interior and exterior of the residence prior to the commencement of work. Customer must cover or protect any items in attics, garages, or living spaces that may be affected by falling dust or grit. **Arrow Building & Coating Inc.** is not liable for damage to personal property (including furniture, decorations, electronics, or landscaping) that was not moved, covered, or disclosed to the crew in writing before the project start. While our crews utilize drop cloths and debris-containment strategies, Customer acknowledges that a "construction-level" environment is to be expected until the final cleanup is complete.

Plywood

Price is \$100 per sheet if plywood allowance is exceeded (price is for ½" O.S.B. only, price is increase for C.D.X. higher quality, and larger sized) *Roofing Projects Only*

Ponding Water (Dead Flat), and Drainage

Customer acknowledges that "ponding water" (standing water that remains on a roof surface longer than 48 hours) is often a result of pre-existing structural settling or "dead flat" architectural design. While **Arrow Building & Coating Inc.** follows all industry standards for drainage, the installation of new roofing material alone may not eliminate ponding. Remedying pre-existing drainage issues may require additional structural carpentry, the installation of "crickets" to divert water, additional layers, or the addition of specialized roof drains. These corrective measures are not included in the base contract price unless explicitly stated. If ponding conditions are discovered or persist, any corrective work will be performed only upon the execution of a written **Change Order** and payment of additional fees. **Arrow Building & Coating Inc.** is not liable for leaks or accelerated membrane degradation caused by pre-existing structural ponding or inadequate slope.

Discovery of Hazardous Materials (Asbestos)

This Contract is based upon a visual inspection of accessible areas and assumes the absence of Asbestos-Containing Materials (ACM). If, during the course of work—including but not limited to roofing removal, siding demolition, or surface preparation—any material suspected of containing asbestos is discovered, the Contractor shall immediately cease work in the affected area pursuant to Cal/OSHA Title 8 §1529. The Customer shall be responsible for all costs associated with testing and industrial hygiene oversight. Any delays resulting from the discovery, testing, or required abatement of asbestos shall constitute an excusable delay, and the contract completion date shall be extended accordingly. Pursuant to SDAPCD Rule 1206, if Regulated Asbestos-Containing Material (RACM) is confirmed, it must be abated by a licensed C-22 Asbestos Abatement Contractor before work resumes. This contract does not include the costs for abatement, specialized disposal, or third-party clearances. Work will resume only upon the execution of a written Change Order covering increased costs for specialized labor, safety equipment, or modified work practices mandated by law.

Lead-Based Paint Disclosure and Hazard Conditions

In accordance with the EPA Renovation, Repair, and Painting (RRP) Rule (40 CFR Part 745) and California Title 17, any structure built prior to 1978 is presumed to contain lead-based paint. Unless the Customer provides a certified "Lead-Free" inspection report from a California-certified assessor prior to the commencement of work, Arrow Building & Coating Inc. shall operate under the presumption that lead is present. Compliance with EPA RRP and California Title 17 regulations—including lead-safe containment, HEPA filtration, and specialized disposal—is not included in the initial contract price. Should lead-safe practices be required, they shall constitute a mandatory Change Order; the Customer's refusal to execute said Change Order shall be deemed a material breach of contract, as the Contractor cannot legally perform work in violation of federal or state environmental laws. Pursuant to Cal/OSHA §1532.1, the Contractor reserves the right to halt work for testing if deteriorating surfaces or aggressive disturbances (such as power sanding or grinding) are required. All costs associated with third-party testing, specialized personal protective equipment (PPE), and San Diego County lead-clearance inspections are the sole financial responsibility of the Customer and will be documented via a formal Change Order.

TERMS AND CONDITIONS

1. Time Limit of Proposal

This proposal is valid for a period of sixty (60) days from the date of issuance, after which Arrow Building & Coating Inc. reserves the right to withdraw the offer or adjust pricing to reflect fluctuations in labor rates and material costs. The Customer acknowledges that this proposal is an estimate based on visible site conditions; should the Customer wish to modify the scope or should omissions be identified, such changes must be finalized in writing prior to the execution of the formal contract. Once the contract is signed, any additional amendments or deviations from the original scope will be processed as a formal Change Order in accordance with California Business and Professions Code § 7159. We encourage the Customer to review all specifications carefully and contact our office with any questions to ensure the project plan is fully understood before work commences.

2. Down Payment and Commencement Payments

THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS. The down payment is distinct from the "Start of Work" payment. Upon the substantial commencement of the project—which includes, but is not limited to, the mobilization of equipment, the delivery of materials to the job site, or the initiation of site preparation—a commencement payment shall be due in the amount specified in the Progress Payment Schedule. For projects requiring "Special Order" materials (such as custom-tinted architectural coatings, non-stock siding, or specialized roofing components), the Contractor may require a higher percentage payment upon delivery or procurement to cover the specific costs of these non-returnable items. All such payments shall be documented as Progress Payments and must bear a direct relationship to the work performed or materials provided. Arrow Building & Coating Inc. reserves the right to pause operations should any scheduled progress payment, including the "Start of Work" payment, remain unpaid beyond the date of mobilization.

3. Financing

Arrow Building & Coating Inc. offers optional financing through Hearth, a third party financial technology platform that connects homeowners with independent lenders; Hearth is not a lender, and all credit decisions, loan terms, interest rates, approvals, and funding are determined solely by the lender selected by the Customer. Upon request, the Contractor will provide the Customer with a secure Hearth financing link, after which the Customer independently reviews all loan terms and chooses whether to proceed with a personal loan, credit based option, credit card, or HELOC offered through Hearth's network. The Contractor does not receive, review, influence, or negotiate the Customer's financial information or loan terms, nor does the Contractor guarantee approval or assume responsibility for lender delays or denials. The Customer acknowledges that California consumer protection requirements—including lender disclosures, confirmation calls, and documentation requests—apply to the lender and not the Contractor, and that financing does not modify the legally required progress payment structure under California Business & Professions Code §7159. If financing is delayed, denied, or canceled, the Customer remains responsible for timely payment using another accepted method. Use of Hearth financing is entirely voluntary and is offered solely for the Customer's convenience.

4. Customer Responsibilities and Site Conditions

The Customer shall provide unobstructed access to the project site and ensure all necessary provisions are made for Arrow Building & Coating Inc. to enter the property to perform the specified services. In accordance with California Occupational Safety and Health standards, the Customer is responsible for maintaining a safe and hazard-free environment for all workers, including employees and subcontractors. The Customer must relocate all vehicles, furniture, and fragile personal property away from the work zone prior to the commencement of work; the Contractor assumes no liability for damage to items left in the work area. The Customer acknowledges that construction activities—specifically roofing and siding demolition—may cause vibrations, and the Contractor is not responsible for minor interior cracks, "nail pops" in drywall, or cleaning construction dust from areas covered by insulation. Furthermore, the Customer shall maintain comprehensive homeowners or property insurance (including coverage for fire, wind, and water intrusion) to protect against claims for damages or injury. To the fullest extent permitted by law, Arrow Building & Coating Inc. shall be held harmless for any loss or damage resulting from the Customer's failure to secure the site or from pre-existing structural instability.

5. Project Permits

Customer is responsible for obtaining and paying all fees for necessary permits, governmental approvals, and HOA endorsements, unless explicitly listed as a line item on the face of this Contract. Arrow Building & Coating Inc. assumes no responsibility for securing such authorizations or licenses except where specified. Because building codes and local ordinances are subject to change without notice, any additional labor or materials required by a building official to meet current code standards will be documented and charged through a written Change Order. Customer warrants that they have the legal authority to authorize the work and agrees that Arrow Building & Coating Inc. is not liable for damage to utility lines or subsurface structures that were not clearly marked or disclosed in writing prior to the commencement of work.

6. Work Expectations

Arrow Building & Coating Inc. shall furnish all labor, materials, tools, and equipment necessary to perform the project in a professional and workmanlike manner. While the Contractor agrees to pursue the work diligently, the completion date is an estimate and remains contingent upon weather conditions, labor strikes, material shortages, or other delays beyond the Contractor's reasonable control. In accordance with California Law, any deviation from the original scope of work—including additional labor or materials necessitated by the discovery of hidden defects such as dry rot, mold, or structural damage—must be documented in a written Change Order. No extra work shall be performed, and no additional charges shall be billed, unless a Change Order is signed by both the Owner and the Contractor prior to the commencement of that work. The Customer acknowledges that any verbal agreements regarding changes to the scope of work are not legally binding and must be incorporated into a written amendment to this contract to be valid.

7. Access to Work

The Owner shall provide the Contractor and its workmen with free and unobstructed access to the work areas during normal working hours, including reasonable access for vehicles and the storage of materials and debris. The Owner shall keep driveways reasonably clear for the movement and parking of construction vehicles. The Contractor shall not be responsible for ordinary and unavoidable damage to driveways, walkways, lawns, shrubs, or other landscaping resulting from the normal movement of workers, equipment, materials, or debris, provided the Contractor exercises reasonable care. If the Owner unreasonably denies access during scheduled working hours, the Owner agrees to pay a trip charge and/or remobilization fee commensurate with the disruption caused.

8. Hazardous Waste

Arrow Building & Coating Inc. is strictly responsible only for the removal and disposal of debris generated directly by the project scope defined in this contract. Any hazardous materials, chemicals, or waste already in the Customer's possession prior to the start of work—including, but not limited to, household cleaners, old paint, tires, automotive fluids, chemicals, and pre-existing pressure-treated wood—remain the sole property and responsibility of the Customer. The Customer is expressly prohibited from placing any such personal hazardous waste into project-related disposal bins or mixing it with construction debris. Arrow Building & Coating Inc. will not transport, handle, or facilitate the disposal of pre-existing hazardous waste, and any costs, fines, or sorting fees incurred due to the Customer's failure to comply with this provision will be billed as a mandatory Change Order.

9. Contractor Licensing and Mandatory Insurance

Arrow Building & Coating Inc. is duly licensed under the laws of the State of California, holding License #447230 with classifications B, C-33, C-35, C-39, and C-61. Contractors are required by law to be licensed and regulated by the Contractors State License Board (CSLB). Pursuant to California Business and Professions Code § 7125, the Contractor is required to maintain a valid policy of Workers' Compensation Insurance as a condition of licensure for the specific trade classifications held by this firm. Arrow Building & Coating Inc. affirms that it maintains active Workers' Compensation coverage for all personnel as required by law; a failure to maintain such a policy shall result in the automatic suspension of the license. Any questions concerning a contractor may be referred to the Registrar, Contractors State

License Board, 9821 Business Park Drive, Sacramento, CA 95827, via their website at www.cslb.ca.gov, or by calling (800) 321-CSLB.

10. Insurance

Arrow Building & Coating Inc. shall, at its own expense, maintain all insurance coverages required by the State of California, including Commercial Automobile liability and statutory Workers' Compensation insurance for all personnel, provided through State Compensation Insurance Fund (State Fund). In accordance with California law, the Contractor maintains Commercial General Liability Insurance to protect against third-party claims for bodily injury or property damage arising from the performance of the work; however, the Customer acknowledges this coverage is intended for new damage resulting from the current project and does not extend to pre-existing defects, structural issues, or "Acts of God" beyond the Contractor's control. The Customer may verify the Contractor's active standing, Workers' Compensation coverage, and bond information at any time via the Contractors State License Board (CSLB) website at www.cslb.ca.gov using License #447230. Upon written request, the Contractor will provide a Certificate of Insurance (COI) specifying the insurance carrier, policy numbers, and applicable endorsements.

11. Contractor's License Bond

Arrow Building & Coating Inc. maintains a valid Contractor's License Bond in the amount of twenty-five thousand dollars (\$25,000) as required by California Business and Professions Code § 7071.6. This bond is on file with the Contractors State License Board (CSLB) and is issued for the benefit of any person damaged by a violation of the Contractors' State License Law, or any employee of the Contractor damaged by a failure to pay wages or fringe benefits. The Customer acknowledges that a contractor's license bond is not a performance bond or a payment bond for the specific project, but a general regulatory requirement for the maintenance of an active license. Information regarding the Surety company issuing this bond may be verified at any time through the CSLB website at www.cslb.ca.gov using the Contractor's License Number #447230.

12. Unauthorized Access and Assumption of Risk

The project site, specifically including all elevated areas, roofing systems, scaffolding, and staging areas, is a restricted construction zone. The Customer acknowledges that climbing onto the roof or accessing work areas—whether to inspect progress or for any other reason—is inherently dangerous. Arrow Building & Coating Inc. shall not be held liable for any injury, loss, or damage to the Customer, their family members, guests, or agents who access the roof or use the Contractor's ladders, scaffolding, or equipment, regardless of whether such access was granted with or without the Contractor's consent. Any person entering these restricted areas or utilizing the Contractor's equipment does so at their own risk and assumes full legal and financial responsibility for any resulting incidents. Furthermore, the Customer agrees to indemnify and hold Arrow Building & Coating Inc. harmless from any claims, legal fees, or liabilities arising from such unauthorized access. Unauthorized interference with the Contractor's equipment or work areas may, at the Contractor's discretion, be deemed a safety violation resulting in a temporary suspension of work.

13. Additional Facilities—OSHA Requirements

In accordance with California Law and OSHA safety standards, the Owner is solely responsible for ensuring that all necessary utilities—including water, sewer, gas, and electricity—are available and functional from the serving agency to the point of entry at the property line or required metering devices. The Owner agrees to provide Arrow Building & Coating Inc. with unrestricted access to electricity and water at the project site as required to perform the work and maintain site safety. The Owner further agrees to provide these utilities at no cost to the Contractor. Any failure to provide necessary utilities that results in a work stoppage or the need for the Contractor to provide supplemental power or water sources will be billed as a Change Order. The Customer acknowledges that consistent access to water is a mandatory requirement for the Contractor's compliance with California's Heat Illness Prevention standards and general sanitation regulations.

14. Project Delays

The Contractor shall not be liable for any damages, penalties, or liquidated damages arising from delays caused by events or conditions beyond the Contractor's reasonable control, including, without limitation, permitting, plan review, inspection scheduling, utility requirements, regulatory changes, weather, labor disruptions, material shortages, manufacturer backorders, delivery delays, and unforeseen or concealed site conditions. Any such delay shall constitute an excusable delay and shall entitle the Contractor to a reasonable extension of time.

Change Orders; Customer-Requested Stoppage

Requested changes to the Work may require the Contractor to stop work, secure the site, and reschedule crews and inspections. If the Customer directs the Contractor to stop work and the Contractor must implement temporary weather protection and/or security measures, the Customer shall pay an additional mobilization and protection fee of **\$1.50 per square foot**, plus any reasonable costs incurred for materials and labor not otherwise included in the Contract. Temporary protection (including tarps or coverings) is provided for mitigation only and is not a manufacturer-warranted or watertight system. The Contractor is not responsible for water intrusion or interior damage occurring during a Customer-requested stoppage, to the extent permitted by law.

15. Material Price Escalation

Due to fluctuations in market conditions, tariffs, fuel costs, manufacturer pricing, supply chain disruptions, and material availability, Arrow Building & Coating Inc. reserves the right to adjust the Contract Sum for documented increases in material costs occurring after the date of this Contract. Any increase exceeding five percent (5%) of the originally estimated material cost may be submitted as a written Change Order supported by supplier invoices or documentation. Customer acknowledges that pricing is based upon material availability and pricing conditions existing at the time of contract execution, and Contractor shall not be responsible for shortages, discontinued products, allocation delays, or manufacturer backorders beyond Contractor's reasonable control. Any resulting increase in project cost or completion time caused by such conditions shall constitute an excusable delay and/or Change Order under this Contract.

16. Compliance With Public Bodies and Regulatory Changes

Unless expressly included in the written Scope of Work, the contract price does not include additional labor or materials necessitated by changes, alterations, or upgrades required by any public body, utility company, or government inspector. Contractor reserves the right, at Contractor's sole option, to modify project specifications to comply with the requirements of any governmental agency having jurisdiction over the work. Any such regulatory modifications that result in an increase in labor or material costs shall be documented in a written Change Order, signed by both parties, and shall be the financial responsibility of the Owner. Contractor is not liable for project delays caused by the failure of a public body to perform timely inspections or provide necessary approvals.

17. Workforce, Scheduling, and Construction Operations

Arrow Building & Coating Inc. reserves the exclusive right to determine the means, methods, sequencing, scheduling, manpower levels, subcontractor utilization, equipment usage, staging operations, and working hours necessary to safely and efficiently perform the Work. Contractor may reasonably adjust crew sizes, project sequencing, work schedules, or subcontractor assignments due to weather conditions, operational requirements, manpower availability, safety concerns, project coordination, site conditions, inspection scheduling, material delays, or other circumstances encountered during construction. Customer acknowledges that all project schedules are estimated only and subject to modification as field conditions require. No person other than Contractor's authorized management personnel shall direct Contractor employees, subcontractors, suppliers, or construction operations.

18. Right to Stop Work for Nonpayment

Arrow Building & Coating Inc. reserves the right to suspend, delay, or discontinue work immediately upon the Customer's failure to make any payment required under this Contract, including deposits, progress payments, approved Change Orders, or final payment, without such suspension being deemed a breach of contract by the Contractor. In the event of nonpayment, Contractor may remove personnel, equipment, and materials from the project site until all outstanding balances are paid in full. Customer acknowledges that any work stoppage resulting from nonpayment may cause scheduling disruptions, remobilization delays, increased labor or material costs, and project extensions, all of which shall be the sole responsibility of the Customer. Contractor shall not be liable for any damages, penalties, deterioration, weather exposure, or consequential losses resulting from a suspension of work caused by Customer's nonpayment. Any remobilization, restaging, temporary weatherproofing, material restocking, or additional administrative costs incurred due to such suspension shall be billed to the Customer as an additional charge or Change Order under this Contract.

19. Owner, Tenant, HOA, and Third-Party Interference

Arrow Building & Coating Inc. shall not be responsible for delays, inefficiencies, loss of productivity, increased costs, damages, rework, or schedule impacts resulting from interference by Customer, tenants, residents, homeowners associations (HOAs), property managers, consultants, inspectors, vendors, separate contractors, or unauthorized third parties. Contractor shall be entitled to additional compensation and/or reasonable extensions of time resulting from restricted site access, excessive inspections, parking restrictions, resident complaints, occupied-building limitations, delayed approvals,

work stoppages caused by others, or direction given by parties other than Contractor's authorized representatives. Customer acknowledges that Contractor shall maintain sole control over construction means, methods, sequencing, and project operations, and interference with such operations may constitute grounds for a Change Order, temporary suspension of work, or adjustment to the project schedule.

20. Long-Term Project Delays and Extensions of Time

Contractor shall not be held liable for delays in performance or completion of the Work resulting from causes beyond Contractor's reasonable control, including but not limited to weather conditions, labor shortages, material shortages, supplier delays, concealed conditions, acts of God, utility interruptions, governmental actions, permit delays, inspection delays, owner-requested changes, resident interference, site access restrictions, project coordination issues, acts or omissions of other contractors, or unforeseen conditions encountered during construction. Contractor shall be entitled to reasonable extensions of time for any such delays and shall not be liable for any damages, penalties, loss of use, lost profits, liquidated damages, or consequential damages arising from delayed completion caused by such events. Any completion date provided by Contractor shall be considered an estimated completion date only and not a guaranteed completion deadline unless expressly stated otherwise in writing executed by both parties.

21. Materials Removed—Debris

Arrow Building & Coating Inc. shall be responsible for the removal and disposal of all construction debris generated directly by the project scope. All materials removed from the structure during the course of work shall be deemed the property of the Contractor and disposed of at the Contractor's discretion, unless the Owner identifies specific items to be salvaged in writing prior to the commencement of construction. Upon completion of the project, the Contractor will remove all project-related waste and equipment, leaving the immediate work area in a "broom clean" condition. The Customer acknowledges that "broom clean" is defined as the removal of all large debris and the sweeping of work-related surfaces; it does not include professional deep cleaning, pressure washing, or the removal of fine construction dust. While the Contractor will utilize magnetic sweepers to collect fallen metal fasteners, the Customer acknowledges that the nature of roofing and siding demolition makes the total collection of every nail or staple impossible to guarantee, and the Contractor assumes no liability for stray fasteners found after the final site sweep.

22. Damage to Property

Contractor shall perform all work in a good and workmanlike manner according to California Building Code and industry standards; however, Contractor shall not be held responsible for damage caused by the Owner, Owner's agents, or separate contractors, nor for delays or damages resulting from Acts of God, including but not limited to earthquakes, soil slippage, fire, or sudden inclement weather that prevents the structure from being closed in a timely manner, provided industry-standard temporary protection is utilized. Contractor is not liable for latent defects or pre-existing conditions, including structural failure of underlying substrates, interior drywall/plaster cracks due to standard construction vibrations, or damage to unmarked private utility lines. Furthermore, Contractor is not responsible for sewer or utility assessments, acreage fees, or use fees not yet a lien on the property, nor for 100% exact

color/texture matching of stucco or paint due to the natural weathering and UV degradation of existing surfaces.

23. Liens & Assessments

Unless explicitly stated in the written Scope of Work, Arrow Building & Coating Inc. shall not be held responsible for any pre-existing bonds, liens, encumbrances, or assessments attached to the property. The Customer assumes sole responsibility for all sewer or utility assessments, "use" fees, impact fees, or any other government-mandated charges that are not yet a lien on the property or may be triggered by the permitted work. Furthermore, the Customer warrants that they have the legal authority to authorize the improvements described herein.

24. Material Delivery and Site Access

Customer shall provide adequate and safe access to the job site for the purpose of delivering materials and equipment. Customer acknowledges that delivery vehicles are heavy and may cause unavoidable wear or damage to surfaces. I/We hereby release Arrow Building & Coating Inc. and its vendors/suppliers from any and all liability for damage to driveways, sidewalks, access roads, landscaping (including plants, trees, and shrubbery), and overhead wires resulting from standard delivery and staging procedures. Customer is responsible for identifying and marking any underground vaults or thin-pour concrete sections prior to delivery. Arrow Building & Coating Inc. agrees to exercise reasonable care to minimize site impact, but the ultimate risk of surface damage due to necessary material weight rests with the Customer.

25. Material Guarantee and Limitations

Arrow Building & Coating Inc. utilizes high-quality materials designed for the specific requirements of each project; however, all guarantees and warranties regarding material performance, durability, and color retention are provided exclusively by the respective manufacturers. The Contractor makes no express or implied warranties regarding materials and hereby disclaims any liability for material failures, including but not limited to manufacturing defects, premature weathering, or product recalls. All material warranty information, registration requirements, and claim procedures are obtainable through the manufacturer. The Customer acknowledges that material warranties are independent of the Contractor's workmanship warranty and may be subject to specific environmental conditions or maintenance requirements as defined by the manufacturer. Arrow Building & Coating Inc. shall provide reasonable assistance to the Customer in identifying manufacturer contact information should a material-related claim arise after the project is paid in full.

26. Warranty

Any express workmanship warranty offered by Arrow Building & Coating Inc. is strictly contingent upon the Customer's fulfillment of all financial obligations as outlined in this Contract. A formal, written warranty certificate will be executed and delivered to the Customer only after the contract balance is paid in full and all funds have successfully cleared. The Customer acknowledges that manufacturer warranties for materials—including but not limited to roofing, siding, and coating products—are independent of the Contractor's workmanship warranty and may be subject to separate registration requirements or voided by the manufacturer for non-payment. This warranty is limited to the specific

scope of work performed under this contract and expressly excludes damage resulting from pre-existing structural defects, substrate failure, improper maintenance, or "Acts of God." In accordance with California Law, any claim regarding workmanship must be submitted to the Contractor in writing to allow for a reasonable opportunity to inspect and remediate the issue.

27. Warranty Exclusions and Voidance

All warranties provided by Arrow Building & Coating Inc. are contingent upon the proper care and maintenance of the completed work by the Customer. This warranty shall be rendered null and void in its entirety if the installation—including but not limited to roofing systems, coatings, siding, or stucco finishes—is damaged, altered, or interfered with due to Customer negligence, lack of maintenance, or unauthorized modifications. Any attempt by the Customer or an unauthorized third party to repair, "touch up," or modify the work without prior written authorization from the Contractor shall immediately terminate all warranty obligations. Furthermore, the Contractor's warranty is voided for any areas impacted by third-party trades (e.g., solar installers, HVAC technicians, Electricians, Plumbers, or satellite mounters) working on or adjacent to the project site. While the Contractor may provide written consent for other trades to work near the project, such consent does not constitute an assumption of liability; the warranty for the affected area shall only remain valid if the Contractor performs a post-interference inspection and issues a written recertification, which may be subject to additional service fees. This warranty specifically excludes damage resulting from "Acts of God," structural settlement, or pre-existing underlying defects in the property's substrate not addressed in the original Scope of Work.

THE WARRANTIES PROVIDED IN THIS CONTRACT AND ANY WARRANTY CERTIFICATE ISSUED TO YOU ARE STRICTLY LIMITED TO THE FOREGOING EXPRESS WARRANTIES CONTAINED IN THIS SECTION AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL WARRANTIES ARE LIMITED TO THE APPLICABLE STATUTE OF LIMITATIONS, BUT IN NO CASE WILL EXTEND BEYOND THE LIMITED WARRANTY PERIODS SPECIFIED ABOVE. Arrow Building & Coating Inc. EXCLUDES AND WILL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER ARISING OUT OF CONTRACT, TORT OR OTHERWISE. THE REMEDY OF REPAIR, REPLACEMENT, OR REFUND OF THE ACTUAL PURCHASE PRICE OF THE PRODUCT PROVIDED BY THIS LIMITED WARRANTY IS THE EXCLUSIVE REMEDY WITH RESPECT TO ANY AND ALL LOSS OR DAMAGE. IN NO EVENT WILL CONTRACTOR'S LIABILITY TO YOU, WHETHER ARISING OUT OF THIS CONTRACT OR ITS PERFORMANCE, EXCEED THE AMOUNT ACTUALLY PAID BY YOU TO CONTRACTOR. IF ANY SPECIFIC TERM OF THIS LIMITED WARRANTY IS PROHIBITED BY ANY APPLICABLE LAW, IT SHALL BE NULL AND VOID, BUT THE REMAINDER OF THIS LIMITED WARRANTY SHALL REMAIN IN FULL FORCE AND EFFECT.

28. Third Party Contractors and Site Liability

Arrow Building & Coating Inc. shall not be held liable for any property damage, material failure, or project delays caused by third-party contractors, subcontractors, or laborers not directly employed or contracted by Arrow Building & Coating Inc. This includes, but is not limited to, damage to roofing tiles, stucco surfaces, coatings, or siding installations resulting from the actions of other trades working on the

property. In the event that third-party interference necessitates repairs, material replacement, or additional labor by Arrow Building & Coating Inc., such work shall be treated as a "Discovery of Hidden Damage/Interference" and will require a formal Change Order. The Customer assumes all financial responsibility for the costs associated with these repairs and must pursue any reimbursement directly from the responsible third party. Arrow Building & Coating Inc. reserves the right to suspend work if third-party activity creates an unsafe environment or compromises the integrity of our workmanship.

29. Termination Policy

Either party may terminate this Contract at any time upon three (3) business days' preceding written notice delivered via email or certified mail. In the event of such termination, Arrow Building & Coating Inc. shall be entitled to immediate compensation for all executed services, labor performed, and materials installed up to the date of dissolution. Furthermore, the Customer shall be liable for all costs arising out of such termination, including but not limited to, restocking fees for returned materials, non-refundable deposits for "Special Order" supplies, and administrative costs incurred during project wind-down. For projects involving custom-tinted architectural coatings or specialized roofing/siding materials already procured or in transit, the Customer shall be responsible for the full cost of said materials. Termination by the Customer shall not relieve them of their obligation to pay for work completed in a workmanlike manner prior to the notice period.

30. Notice of Completion and Final Acceptance

Upon the substantial completion of the scope of work described in this Contract, the Customer agrees to execute a formal Notice of Completion promptly upon presentation by the Contractor. For the purposes of this Contract, completion shall be determined by the date of the final building department inspection approval, the date of beneficial occupancy by the Customer, or the date of a successful final walkthrough, whichever occurs first. Upon receipt of the final project payment, Arrow Building & Coating Inc. shall provide the Customer with a "Full and Final Release of Lien" for the property. Should the Customer fail to execute the Notice of Completion or withhold the final payment without a valid, written "Punch List" of good-faith deficiencies, the Customer agrees to pay all costs associated with collection, including reasonable attorney fees, travel expenses, and a daily administrative fee for the Contractor's loss of time until the balance is satisfied in full.

31. Late Fees and Collections

All payments are due and payable in accordance with the schedule defined in this Contract. Any balance remaining unpaid for more than thirty (30) days past the due date shall be subject to a late charge of 1.5% per month (18% per annum) or the maximum rate permitted by California Law, whichever is less. In the event that Arrow Building & Coating Inc. must initiate legal proceedings, arbitration, or engage a collection agency to recover past-due amounts, the Customer agrees to pay all reasonable collection costs, including but not limited to, attorney fees, filing fees, and court costs. Furthermore, the Contractor reserves the right to suspend all work on the project if any progress payment is not made within the timeframe specified; such a suspension of services due to non-payment shall not be deemed a breach of contract by the Contractor, and the Contractor shall be held harmless for any resulting delays.

32. Bank Fees

The Customer agrees to be responsible for all transaction-related fees incurred through the chosen payment method. This includes, but is not limited to, credit card processing fees, wire transfer fees, and any "nonsufficient funds" (NSF) fees or returned check charges levied by the Contractor's financial institution. For payments made via credit card, a standard processing fee will be added to the invoice total as permitted by law. To avoid additional transaction costs, the Customer may utilize payment methods such as Zelle or standard check, provided funds are verifiable. All processing fees will be itemized on the Customer's invoice and must be paid in full along with the contract balance.

33. Legal Fees

In any action, arbitration, or other proceeding arising out of or relating to this Contract, the prevailing party shall be entitled to recover its reasonable attorney fees and costs, in addition to any other relief awarded. Recoverable fees and costs include those incurred before suit, in trial or arbitration, and in enforcing any judgment or award, to the extent permitted by law.

34. Arbitration

Any controversy or claim arising out of or relating to this Contract, or the breach thereof, which the parties do not promptly settle, shall be decided by neutral arbitration administered by the American Arbitration Association (AAA) under its Construction Industry Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof; provided, however, that either party may elect to resolve any dispute in Small Claims Court if the amount in controversy falls within the jurisdiction of said court. The venue for any arbitration or legal proceeding shall be San Diego County, California.

35. Agreement

This Contract, including all incorporated terms and conditions, shall become legally binding only upon execution by both the Owner and an authorized officer or principal of the Contractor. Customer acknowledges that Customer has entered into this contract solely with the Contractor named herein, who is acting as a principal and not as an agent for any other entity. Contractor reserves the right, at its sole option, to terminate this Contract without liability if an institutional lender or financing partner disapproves the Customer's creditworthiness, loan terms, or project eligibility.

36. Change Orders

All change orders must be in writing and signed by both the Customer and the Contractor for them to be included in the contract and before the work included in the change order can proceed. Without invalidating this Contract, you may authorize Contractor to perform Services beyond the scope of the Contract ("Change Work"). A Change Order will be issued by Contractor, which you may accept by signing. Upon your signing of the Change Order, it becomes part of this Contract, subject to all of the terms of this Contract. A proposal for Change Order automatically expires if not accepted by you within 30 days after issuance. Changed Work may also result from Contractor encountering conditions at the work area that impact, impede, or otherwise interfere with the performance of Contractor's work, including but not limited to:

- Previously undisclosed or unidentified legal encumbrances in the work area;
- Building and zoning code violations;
- Concealed and unforeseen physical and hazardous conditions;
- The presence of utility lines, rocks, roots, buried debris, mold, asbestos, lead paint; and
- Any condition differing from what you represented.

If any such conditions are encountered, Contractor may immediately ask for a Change Order or discontinue the work without further obligation to you. If you decline to execute a Change Order request, you or Contractor may terminate this Contract.

NOTICE TO OWNER/CUSTOMER

NOTICE TO OWNER/CUSTOMER: The Owner/Customer is advised of the following rights and disclosures pursuant to California Business & Professions Code § 7159 (including AB 1327 updates). You have the right to cancel this contract **within three (3) business days** after signing, or **within five (5) business days** after signing if you are **65 years of age or older**. Cancellation may be delivered by mail, personal delivery, or email to **arrowbuilding619@gmail.com** or to the Contractor's business address stated in this Contract. Under California's Mechanics Lien Law, any contractor, subcontractor, laborer, or material supplier who provides labor or materials to improve your property and is not paid may record a **Mechanics Lien** against your property, even if you have paid the prime contractor in full. To help protect yourself, you may request lien releases, preliminary notices, and/or a payment and performance bond. If subcontractors are used, you may request a complete list of subcontractors, including names, license numbers, and contact information. The Contractors State License Board (CSLB) regulates contractors and provides consumer information. You may verify a license or file a complaint at www.cslb.ca.gov or by calling (800) 321-CSLB.

NOTICE OF CANCELLATION

You may cancel this transaction without penalty or obligation within the applicable cancellation period stated above. If you cancel, the Contractor must return any payments made within **ten (10) days**, and you must make available for return any materials delivered by the Contractor. You may cancel by any written notice that clearly states your intent to cancel, including by email.

How to Cancel:

- State clearly that you are cancelling the contract.
- Include your name, project address, and date.
- Send by mail, delivery, or email to **Arrowbuilding619@gmail.com**.
- Cancellation is effective on the date it is sent.

EXHIBIT A

Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.

You read and agree to the preceding notice and terms:

Signature - Owner/Customer

Date

DATE OF TRANSACTION: _____

THREE DAY NOTICE OF CANCELLATION ONLY TO BE SIGNED BY BUYER ON CANCELATION

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: Arrow Building & Coating Inc., located at 8030 La Mesa Blvd. #484 La Mesa, CA 91942 later than: _____, 20__ (midnight).

I, _____, hereby cancel this transaction.

Customer's Signature: _____

Date: _____

EXHIBIT B

Notices

Please carefully review all the notices listed below, including the referenced Exhibits. After you have reviewed all the documents, please sign below acknowledging that you have received, read, and understood all the information contained in them.

Commercial General Liability Insurance (CGL)

Arrow Building & Coating Inc. carries commercial general liability insurance written by (the insurance company). You may call (the insurance company) to check the contractor's insurance coverage.

Commercial Liability Insurance Carrier: **Homesite Insurance Company / BCGL006381-00**
Phone Number: **(800)466-3748**

Workers' Compensation Insurance

California Worker's Compensation Policy Number: **State Fund // Policy# 9330098**
Phone Number: **(888) 782-8338**

Extra Work and Change Orders Information

The buyer may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order.

Extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order:

- (i) The scope of work encompassed by the order.
- (ii) The amount to be added or subtracted from the contract.
- (iii) The effect the order will make on the progress payments or the completion date.

The contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

Mechanic's Lien Warning

Anyone who helps improve your property, but who is not paid, may record what is called a mechanic's lien on your property. A mechanic's lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Internet Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

California Contractors' State Licensing Board (CSLB)

Information about the Contractors' State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions, and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

NOTICE

STATE LAW REQUIRES ANYONE WHO CONTRACTS TO DO CONSTRUCTION WORK TO BE LICENSED BY THE CONTRACTORS' STATE LICENSE BOARD IN THE LICENSE CATEGORY IN WHICH THE CONTRACTOR IS GOING TO BE WORKING – IF THE TOTAL PRICE OF THE JOB IS \$500 OR MORE (INCLUDING LABOR AND MATERIALS).

CONTRACTORS ARE REGULATED BY LAWS DESIGNED TO PROTECT THE PUBLIC. IF YOU CONTRACT WITH SOMEONE WHO DOES NOT HAVE A LICENSE, THE CONTRACTORS' STATE LICENSE BOARD MAY BE UNABLE TO ASSIST YOU WITH A COMPLAINT. YOUR ONLY REMEDY AGAINST AN UNLICENSED CONTRACTOR MAY BE IN CIVIL COURT, AND YOU MAY BE LIABLE FOR DAMAGES ARISING OUT OF ANY INJURIES TO THE CONTRACTOR OR HIS OR HER EMPLOYEES.

YOU MAY CONTACT THE CONTRACTORS' STATE LICENSE BOARD TO FIND OUT IF THIS CONTRACTOR HAS A VALID LICENSE. THE BOARD HAS COMPLETE INFORMATION ON THE HISTORY OF LICENSED CONTRACTORS, INCLUDING ANY POSSIBLE SUSPENSIONS, REVOCATIONS, JUDGMENTS, AND CITATIONS. THE BOARD HAS OFFICES THROUGHOUT CALIFORNIA. PLEASE CHECK THE GOVERNMENT PAGES OF THE WHITE PAGES FOR THE OFFICE NEAREST YOU OR CALL 1-800-321-CSLB FOR MORE INFORMATION.

For more information:

Visit CSLB's Internet Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

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