Loft Addition Contract

February 21, 2014

36 Calle Akelia
San Clemente, CA 92673

Project Description: Approximately (156) square foot Loft or Bedroom Addition within existing structure of the home.

Step 1: Basic Loft Package

Pre-Construction includes:

- Design/Plans – Drafting and Structural Engineering
- Permits – from City of San Clemente, INCLUDING plan check fees and permit fees²
- HOA Approval – Will create and submit package to Homeowners’ Association incl. HOA review fee, if any²

Construction includes:

- Protection – multi-layer protection of existing flooring, “zipper-wall” partitions and handrail protection
- Floor framing - “engineered” lumber (Boise Cascade® brand) and Simpson “Strong-Tie”® connectors. OSB Sub-floor decking - “tongue and groove”, glue and screw system. Includes Lifetime Structural Warranty
  ¹⁴
- Insulation - in new floor system (R19 rated). Improves heating/cooling of home, reduces sound travel
- Electrical circuit – (1) “Home run” circuit (20-amp) from electrical panel. (garage drywall patch if necessary)
- Electrical plugs – duplex receptacles to meet code requirements – minimum (4) ct.
- Communication – (1) Cable (coaxial) line, also change (2) existing detectors to combo Smoke/“CO” to meet new code.
- Heating/AC – add (1) new supply register in upstairs ceiling
- Drywall - tape, float and texture. All new texture will match existing and will be applied to both new and existing drywall. ⁴
- Baseboard - in new area, select from wide range of “MDF” styles up to 6”. (Factory-primed, ready for paint prep.)
- Maintenance - Portable restroom, Daily jobsite cleanup, Final cleanup
- Note: no interior painting, staining or floor covering are included in this contract.

Subtotal (reduced – not valid with any other offer)  12,300

Step 2: Add Other Items

Ponywall (42” high) in loft area, (15) feet in length. Includes unpainted, “MDF” wall cap with decorative casing edge.
Raise existing plant shelf at top of stairs to meet code requirements – new Ponywall height.  900

New Window (side) – (1) 1’10” x 4’6” replacement (no stucco work needed) casement, Milgard Styleline®,
white vinyl, premium 3D Max South Energy Package (triple-coated Low-E, Argon-filled, Edgeguard Max stainless steel spacer), dual-glazed, lifetime warranty, with upgraded PureView screen ⁵

Lighting (Loft) - “Box” for homeowner-provided ceiling fan w/ light and fan speed wall switch – incl. fan install. Included
Lighting (Living) – (4) recessed light fixtures (6” incandescent) on (1) switch w/ dimmer control Included
Fire Sprinklers – add (2) heads to meet code, also relocate (1) upstairs. Includes separate permit and inspections from OCFA.  1,600

Note: some items in this proposal may be labeled “Included”. Homeowner can opt-out but no credit will be issued. n/a

Contract Price: Basic Loft Package with Other Items $15,375.00

Continued…

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Step 3: Options (NOT included in Contract Price):

**Bedroom Option** - Enclose Room with full-height wall, matching entry door w/ trim and hardware. Add **Closet** with (2) 3’0” x 6’8” non-mirrored, by-pass doors, single shelf and pole. Ponywall (42” high) in over stairs. Curved and straight, from drywall “plant shelf”. Includes raising existing “plant shelf” 2-3”. Also, includes unpainted, “MDF” wall cap with decorative casing edge. **New Window (side)** – (1) 2’6” x 4’0” LEFT HAND casement (to meet egress), Milgard Styleline®, white vinyl, 3D Max Energy Package, double-paned, lifetime warranty, with upgraded PureView screen (match stucco texture) 

Total cost for all items above is $4,150 MINUS ponywall and window options of $2,175 for a total ADDITION to this contract of $1,975

**ADD $1,975 for Bedroom**
Step 4: Let us build your loft!

Please read this entire contract. To start your project, just return the signed contract and a $1,000 down payment to The Loftcrafters, Inc. We accept Visa/MC OR personal check for the down payment and personal check ONLY for all other payments. Thanks for choosing The Loftcrafters, Inc!

This Agreement between:

<table>
<thead>
<tr>
<th>The Loftcrafters, Inc.</th>
<th>(Owner’s Name)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Contractor’s Name)</td>
<td>36 Calle Akelia</td>
</tr>
<tr>
<td>463944</td>
<td>(Owner’s Address)</td>
</tr>
<tr>
<td>(Contractor’s License Number)</td>
<td>San Clemente, CA 92673</td>
</tr>
<tr>
<td>8 Hammond Dr, Ste 102</td>
<td>(City, State &amp; Zip)</td>
</tr>
<tr>
<td>Irvine, CA 92618</td>
<td>949.373.8603</td>
</tr>
<tr>
<td>Ph. 949.456.1234 Fax 949.266.9688</td>
<td>(Telephone)</td>
</tr>
</tbody>
</table>

Description of Project: See page 1.

Work Location: Same as Owner’s Home Address, above

Project Commencement and Completion: The Pre-construction (Design/Engineering) phase of this project will begin (3) days after contract signing. The construction phase of work will commence on approximately **April 4th, 2014** and will be substantially complete within **3 weeks**. Contractor’s failure to substantially commence work, without lawful excuse, within (20) days from the date specified here is a violation of the Contractor’s License Law.

Payment: Owner agrees to pay contractor a total cash price of **$15,375.00**. Payment schedule is as follows:

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>WHEN</th>
<th>AMOUNT</th>
<th>WHEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. $1,000.00</td>
<td>Down Payment</td>
<td>4. $7,000.00</td>
<td>Passed Rough Inspection</td>
</tr>
<tr>
<td>2. $1,500.00</td>
<td>Permit Issuance</td>
<td>5. $1,000.00</td>
<td>Passed Drywall Inspection</td>
</tr>
<tr>
<td>3. $2,500.00</td>
<td>Construction Commencement</td>
<td>6. $2,375.00</td>
<td>Passed Final Inspection</td>
</tr>
</tbody>
</table>

TERMS AND CONDITIONS: The terms and conditions attached are expressly incorporated into this Agreement. You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. Please see [www.cslb.ca.gov](http://www.cslb.ca.gov) for an explanation of this right. This quote is valid for (30) days.

Firm Name: The Loftcrafters, Inc.  
(Contractor’s Firm Name)

Contractor: X  
Date: February 21, 2014

Homeowner: X  
Date:

Homeowner: X  
(If More Than One Owner, Please Sign Here)

Initial __________  Page 3 of 4
Step 5: Fine Print

1. **CHANGES ORDERS/EXTRA WORK.** Any requested Change Order for extra work shall be incorporated in, and become a part of the contract. A requested Change Order may also increase the time within which the contract is to be completed.

2. **FEES, TAXES AND ASSESSMENTS.** “Permit Fees” and “Plan Check Fees” shall be paid by Contractor. “HOA Architectural Review Fees” shall also be paid by Contractor (up to $100 ONLY). Homeowner to assist with signatures and paperwork prior to HOA Architectural submittal. Other fees, if any, will be paid by Homeowner. While rare, examples include “School Fees”, “OCFA Review Fees” or “Sanitation Fees.” Also, any refundable deposits required by HOA will be paid by Homeowner. Upon completion, Homeowner shall file Notice of Completion with Homeowner’s Association. This is typically a one page form that requires Homeowner signature. HOA will return any refundable deposits directly to Homeowner.

In some cases, municipalities may deem certain areas as “fire hazard zones” or similar. Such designation may require use of tempered glass in windows or other changes to scope of work, and may incur charge.

In rare cases, certain municipalities will require a Conditional Use Permit (“CUP”) in addition to a standard building permit. Cost of CUP is NOT included in this proposal unless expressly written.

In certain cases, the actual square footage as recorded at the municipal or county level may be different than the installed footage in this quote. This may occur due to a variety of reasons including, head-height issues, code interpretation or other reasons. Contractor is not responsible for the quantity of square footage officially recorded. County Assessor will create an assessment based on the value of the improvement and a property tax increase will result. Historically, this tax increase is very nominal and the valuation of the entire property is NOT recalculated. Please contact the County Assessor for specific details.

3. **RIGHT TO STOP WORK:** Contractor may have the right to stop work if any payment shall not be made, when due, to Contractor under this Agreement. Contractor may keep the job idle until all payments due are received. This remedy is in addition to any other right or remedy that the Contractor may have.

4. **STUCCO AND DRYWALL.** Stucco texture will be applied to match existing. Exterior painting of affected areas will create ideal color match.

Drywall texture will be matched to existing. To achieve this, both new AND existing drywall will need to be textured, in some cases entire walls downstairs or upstairs. This technique creates the ideal finished look, without visible patches or seams. Note: ALL affected drywall areas will need to be primed and painted.

5. **MATERIALS.** At its discretion, Contractor may substitute materials for products/suppliers that Contractor deems to be of equal or better quality.

During construction, existing windows, handrail or other components may be removed as part of demolition phase. If Homeowner wishes to keep such components, they will notify contractor in advance.

Unless otherwise specified, “sliding”/”slider” windows to be “XO”. “OX” available on request.

“Replacement” or “Retrofit” windows are installed by leaving a portion of the original window frame in place. No stucco work is involved, so this type of window is more cost effective than “New Construction” or “Nail On” windows. However, a thicker frame appearance than with “New Construction” windows will exist.

Mouldings such as baseboard, crown and casing will be installed ready for paint prep (caulking, filling and sanding). Note: if existing mouldings are present, adjacent pieces may need to be removed. In this case, Contractor will install NEW mouldings in place of adjacent at no charge to homeowner.

However, painting of said mouldings is not included.

In rare cases, existing recessed light “trim” may not be available for exact match or may be special order item. Homeowner will be offered similar match.

Any electrical work included in the contract is subject to adequate space in customer’s existing electrical panel. Should space not be available, installation of sub-panel or other modification may be necessary at additional cost.

During the project, it may be necessary to loosen or remove portions of existing trim or flooring to ensure proper quality of work. In such cases, Contractor is not responsible for re-install of trim or flooring.

6. **HIDDEN CONDITIONS.** All components of this quote are given subject to a verification of hidden conditions. While rare, hidden conditions may change the scope of the project. Items subject to Verification include but are not limited to: shears, foundation, and other structural items. Also, HVAC systems with electronic dampers or other specialized components may require work beyond that which is included in this proposal.

7. **THIRD PARTIES OR OTHER CONTRACTORS.** Any work performed by Homeowner or at Homeowner’s direction that affects structural integrity, modifies, damages or in any other way affects the work being performed by Contractor in this project may void warranty, cause a stoppage of work, and/or have other ramifications.

8. **RESPONSIBILITIES OF THE PARTIES.** Homeowner is responsible to remove any personal property including but not limited to: furniture, pictures and other personal effects. Homeowner is responsible to supply water and electrical utilities.

Upon satisfactory payment being made for any portion of the work performed, Contractor shall, upon request, prior to any other payment being made, furnish to the Homeowner a conditional release from any claim or mechanic’s lien pursuant to section 3114 of the California Civil Code, for that portion of work for which payment has been made. An unconditional release will be furnished AFTER all payments have been made in full and satisfactorily cleared applicable financial institutions. (Generally 5 days but up to 90 days in certain cases.)

Any returned or dishonored payment is subject to a $30 fee.

9. **DELAYS.** Contractor agrees to start and diligently pursue work through to completion, but shall not be responsible for delays for any of the following reasons: requested change orders, failure of the issuance of building permits or HOA approval within a reasonable length of time, acts of neglect or omission by Homeowner or other causes beyond Contractor’s reasonable control.

If homeowner, for any reason, causes delay in passing of Final Inspection, Contractor shall have the right to collect amounts due upon completion of outstanding work items (other than Final Inspection). Delays in passing of Final Inspection may be caused by: Homeowner performing other improvements simultaneously, inadequate smoke detection system in place in other areas of home, or other reasons.

10. **SUBCONTRACTS.** The Contractor may subcontract portions of this work to properly licensed and qualified subcontractors.

11. **INSURANCE.** Contractor shall carry Worker’s Compensation insurance for the protection of Contractor’s employees during the progress of the work. Contractor shall maintain General Liability Insurance for Homeowner and will provide proof thereof to Homeowner.

Homeowner agrees to notify his/her insurance company prior to commencement of project. Contractor does not assume any liability for partially completed work, where cause of damage is not Contractor or Contractor’s agent: ie: damage resulting from Homeowner action, acts of god, etc.

12. **WARRANTY/LIMITATIONS.** All structural work performed by the Contractor is hereby warranted against defects (including squeaks) for the lifetime of the home. Additionally, all other work is warranted against cosmetic or other observable defects for 4 years. This is a TRANSFERABLE warranty. Should defect become evident, Contractor shall repair said defect in a prompt, workmanlike fashion. Warranty is strictly limited to repair of defect. Other costs, including inconvenience, lost time or otherwise are not covered.

13. **ATTORNEY FEES.** In the event there is any litigation or any arbitration arising out of this Agreement, then the prevailing party shall be entitled to its reasonable attorney fees and costs.

14. **HEATING/VENTILATION/AIR CONDITIONING.** Any modification to existing HVAC system is strictly limited to that specified in this contract. Existing FAU, Condenser etc are rated for volume not square footage. Thus most customers experience satisfactory performance after adding a loft addition. However, Contractor is hereby released of any and all responsibility for future performance of existing HVAC system and components.

14. **CODE CHANGES.** Projects for which permits are issued on or after 1/1/2014 may require certain retrofits or other requirements due to new code implementation. City and County Building Departments have not yet issued clarity on which, if any of these requirements will be enforced. Cost of implementation of contractor is not included in this proposal. Contractor is hereby released of any and all responsibility for future performance of existing HVAC system and components.

15. **ROOF CHANGES.** This contract does NOT include any changes to roof, roof framing/structure, roof pitch (slope), or elevation.
## Typical Project Timeline

### WEEK 1

<table>
<thead>
<tr>
<th>Day 1</th>
<th>Day 2</th>
<th>Day 3</th>
<th>Day 4</th>
<th>Day 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection/Preparation</td>
<td>Framing/Electrical</td>
<td>Framing/Electrical</td>
<td>Framing/Electrical</td>
<td>“Rough” Inspection</td>
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### WEEK 2

<table>
<thead>
<tr>
<th>Day 1</th>
<th>Day 2</th>
<th>Day 3</th>
<th>Day 4</th>
<th>Day 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drywall</td>
<td>Drywall Inspection</td>
<td>“Mud” &amp; Texture</td>
<td>“Mud” &amp; Texture</td>
<td>“Mud” &amp; Texture</td>
</tr>
</tbody>
</table>

### WEEK 3

<table>
<thead>
<tr>
<th>Day 1</th>
<th>Day 2</th>
<th>Day 3</th>
<th>Day 4</th>
<th>Day 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Finish” Electrical</td>
<td>“Finish” Carpentry</td>
<td>“Finish” Carpentry</td>
<td>Final Cleanup</td>
<td>Final Inspection</td>
</tr>
</tbody>
</table>
San Clemente References

Here are phone numbers of a few previous TLC customers in your area. Please feel free to contact them as references.

Marc and Brynn Dimick
Calle Akelia (San Clemente)
949.637.0070
Completed October 2013

Joe and Patti Feldsien
Camino Mojado (San Clemente)
949.310.1541
Completed September 2013

Tim and Candice McCaig
Calle Botanico (San Clemente)
949.388.3813
Completed April 2013

Eric and Jessica King
Chapital (San Clemente)
949.218.2444
Completed March 2013
Matt and Shannon Dunbar  
Via Sonrisa (San Clemente)  
949.218.1384  
**Completed February 2013**

Lucille Fernandez  
Via Presa (San Clemente)  
(310) 344-4182  
**Completed January 2013**

Jim and Judy Tatman  
Via Presa (San Clemente)  
(949) 369-6860  
**Completed November 2012**

Kevin Larson  
Via Hombre (San Clemente)  
949.547.0862  
**Completed August 2012**

Kelly Paterson  
Avenida Ossa (San Clemente)  
(949) 295-9282  
**Completed January 2012**

Bob and Shirley Geiger  
Via Presa (San Clemente)  
(949) 498-8049  
**Completed January 2012**

Billie and Tony Fanelli  
Via Presa (San Clemente)  
(949) 361-4148  
**Completed October 2011**
Lorraine Salinas  
Calle Camaron (San Clemente)  
(949) 285-7487  
**Completed August 2011**

John Ivins  
Via Presa (San Clemente)  
(949) 584-0781  
**Completed July 2011**

Sara Poplawski  
Via Presa (San Clemente)  
(949) 388-9763  
**Completed July 2011**

Dave and Kirsti McCleary  
Via Sedona (San Clemente)  
(949) 218-6789  
**Completed July 2011**

Lucas Bingham  
Calle de los Arboles (San Clemente)  
(949) 748-9222  
**Completed June 2011**

Paul and Myhanh Hoskin  
Calle Aveituna (San Clemente)  
(310) 570-5802  
**Completed May 2011**

Todd Sumrow and Julie Lee  
Via Aguila (San Clemente)  
(760) 846-2178  
**Completed February 2011**
Jon and Kathy Knight  
Costero Vientos (San Clemente)  
(949) 429-1982  
Completed September 2010

Tony and Inna DiNicola  
Calle Guijarro (San Clemente)  
(949) 337-5295  
Completed September 2010

Mandy and Jason Kennedy  
Tierras Altas (San Clemente)  
(714) 612-8827  
Completed March 2010

Debbie and Steve Miller  
Via Zafiro (San Clemente)  
(949) 542-4661  
Completed June 2009

Daniel and Kelly Bruner  
Via Presa (San Clemente)  
(949) 228-1352  
Completed April 2009

Sharon and Rainer Welzel  
Calle Guijarro (San Clemente)  
(949) 940-9045  
Completed July 2008