S.G. PLASTERING ADDITIONAL PROVISIONS

Article 1 - Payments

All progress payments will be due upon submittal of invoice. Upon submittal of final invoice, payment must be made within ten (10) days. If retention is held, payment must be made within thirty (30) days of completion of plastering. S.G. Plastering has the right to cease all work, without liability, if any previous payments have not been received. Payments not made as described above are subject to 2% penalty per month on the unpaid balance and 1½% interest per month on the unpaid balance (Per Business & Professions Code 7108.5.)

Article 2 - Change Orders

Any alteration or deviation from work originally described in plans and specifications, involving extra cost, will be executed only upon written orders, and will become an extra charge over and above original Contract amount which will be due and payable per the terms of Article one of this contract, whether or not such changes are approved by a third party. All work could cease until change orders are approved or denied in writing. S.G. Plastering accepts no liability on delays of job while waiting for change orders.

Article 3 - Scaffolding

Scaffolding provided for use by S.G. Plastering ("Scaffolding") will be erected after lathers have completed the bottom twelve (12) feet of the building. The Scaffolding shall remain for a maximum of six weeks from the time it is erected. All lathing and plastering must be completed within this six-week period. In the event S.G. Plastering is prevented from completing the scope of work contemplated by this Contract within the six-week period, through no fault of its own, then fifteen (15%) percent of the Contract price shall be added to the Contract amount for each four (4) week period, or portion thereof, during which the Scaffolding remains erected. Contractor hereby represents and warrants the following:

- A. It will not permit any of its employees or employees of other subcontractors to use the scaffolding without first signing SG Plastering's Scaffold Use Agreement.
- B. It will immediately notify S.G. Plastering if any aspect of the Scaffolding appears unsafe, and
- C. Neither it nor its subcontractors will modify or tamper with the Scaffolding subsequent to its original installation in any way. In the event the Scaffolding is so modified in any way, Contractor shall be liable for all resulting injury and hold S.G. Plastering harmless and indemnify S.G. Plastering from all liability and damages which result from such modification or tampering.
- D. Except as provided in subparagraph E) below, Contractor promises to indemnify and hold harmless S.G. Plastering and its scaffold supplier, their parents and subsidiaries, and all other agents, employees, officers, and directors of all of the foregoing (herein referred to as indemnitees), from liabilities caused by, arising from, or related in any way to any use of the Scaffolding by the Owner, the Contractor, any subcontractor of the Contractor, and/or employees of any of the foregoing, regardless of responsibility for negligence; provided, however that nothing in this agreement purports to or should be understood to provide for indemnity of S.G. Plastering for its sole negligence or willful misconduct.
- E. Contractor shall have no responsibility under paragraph D) to indemnify for any claim or liability caused by, arising from, or connected with the use of the Scaffolding by a party other than Contractor, to the extent such other party has duly executed an enforceable indemnification agreement ("Indemnification Agreement") by which such other party has accepted legal responsibility for said claim or liability. S.G. Plastering will provide Contractor with a form Scaffolding Agreement which, if executed by such other party, will satisfy in full this requirement of an Indemnification Agreement.

Article 4 - Legal Expenses

In the event any party to this Contract commences any action, legal or otherwise, to collect the payment of the Contract price or any portion or modification thereof provided by the Contract, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs and expenses incurred in connection with the action or proceeding.

Article 5 - Delays

All agreements, including this Contract, are contingent upon strikes, accidents or delays beyond S.G. Plastering's control.

Article 6 - Damages/Back Charges

S.G. Plastering must be notified within twenty-four (24) hours, after occurrence, in writing, on all damages/back charges, otherwise no damages/back charges will be allowed.

Article 7 - Access/Utilities

In order to ensure safety of employees, it is the responsibility of the Owner/Contractor to remove all dirt and debris at least four (4) feet away from the foundation of the building at grade level before lathing or plastering is started. Contractor shall provide water and electricity at the jobsite (not from a surrounding area) and hooked up all around the building.

Article 8 - Finished Product

Variations in color due to water, job conditions and method of applications should be expected. Flat walls may vary ¼" in five (5) feet per International Building Code section 2512.5. Cracks in the stucco caused by stress transfers from the structure, thermal shock, wind, seismic activity, vibration, impact stress, warping and twisting of underlying wood framing and/or sheathing or a blow from an external source will only be repaired at the Owner or Contractors expense. If the project is to receive a Smooth type finish or texture, the owner and general contractor must be aware of all inherent characteristics of that type of texture. S.G. Plastering will not be responsible for or required to correct or repair any inherent characteristics of a Santa Barbara or other hard troweled smooth type texture. S.G. Plastering strongly recommends that the owner and contractor contact the Associated Plastering and Lathing Contractors of San Diego at 619-464-7681 to request copies of Technical Bulletin #1 (Cracking in Portland Cement Plaster), Technical Bulletin #4 (Characteristics of Smooth Trowel Finishes) and Technical Bulletin #7 (Color Variation in Stucco).

SG Plastering is not responsible for deterioration caused by paint or acrylic finish applied over stucco surfaces where no proper weep mechanism is installed. SG Plastering can install weep screed at an additional cost.

S.G. Plastering and the Contractor represent that they are aware of all the provisions of SB 800 (California Civil Code §§ 895-945.5). They have reviewed the functionality standards set forth in section 896. In any Project covered by SB 800, S.G. Plastering agrees to be fully responsible for any act or omission by S.G. Plastering that may cause a breach of any SB 800 standard that applies to its work. S.G. Plastering shall not be responsible for breach of an SB 800 standard applying to its work, to the extent the breach is caused by the act or omission of Contractor, Owner, another subcontractor and/or any third party.

Article 9 - Lath Trim and Plastering Installation

Contractor shall provide level surfaces for installation of all lath trims and plastering. S.G. Plastering shall not be required to proceed with any lath trim or plastering installation until all surfaces are level at Contractors' sole expense and effort. All trims will be installed as close to true and level as possible. It is the Contractors' responsibility to inform S.G. Plastering if the building foundations and roof line are at a slope, regardless of drawings. S.G. Plastering is not liable for damages caused by delay of plastering after lathing has been completed outside of S.G. Plastering's control.

Article 10 - Sandblasting

If more than 1/8" of existing plaster surface comes off at time of sandblasting due to unforeseen underlying conditions there may be additional charges for additional plaster. There may be amounts of residual sand in planter areas after sandblasting. If sandblasting is not included in the description above, then it is excluded.

Article 11 - Landscape Items

Any landscape items including, but not limited to, plants, trees, bushes, flowers and sprinklers closer than eight (8) feet to the building may be damaged or destroyed. S.G. Plastering is hereby released of liability for any such damage.

Article 12 - Clean-up

All lath and plaster wire and paper trash and debris will be placed into a dumpster supplied by the owner or general contractor regardless of any description above. All excess plaster material from the ground will be scraped and cut-back eighteen (18) inches from the foundation, unless the owner or general contractor circles and signs his or her initials next to one of the clean-up options in the description of work above.

Article 13 - General Exclusions

S.G. Plastering will not provide any furring, framing, metal flashing, membrane flashing under work by others, sealant/caulking other than holes in the lath and around electrical boxes prior to plaster, paint, interior work, protection of finished roof or new flatwork installed prior to plastering, demolition, window/door drip metal, sheet metal, Z-Bar, furring nails, prevailing wages and lath over metal studs unless otherwise noted in the description of this Contract. Any Storm Water Pollution Prevention requirements will be installed, maintained and/or paid for by the Owner or General Contractor.

Article 14 - Indemnification

With the exception that this Article 14 shall in no event be construed to require indemnification by S.G. Plastering to a greater extent than permitted by the law or public policy of the State of California, S.G. Plastering promises to indemnify Owner and/or Contractor from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liabilities, in law or in equity ("Claims") arising out of or in connection with S.G. Plastering's negligent performance of the contract work. However, nothing in this agreement purports to or should be understood to provide for indemnification by S.G. Plastering of Owner and/or Contractor for any Claims which arise out of or are caused by the negligence or willful conduct of Owner, Contractor and/or third parties. In the event a Claim arises out of or is caused by the joint negligence and/or willful conduct of S.G. Plastering and other parties, including but not limited to Owner and/or Contractor, S.G. Plastering's proportionate liability for the Claim.

Article 15 - Insurance Certificates

S.G. Plastering will not provide a CG 2010 11/85 endorsement. Extra charges for modified certificates are as follows:

| Cancellation Clause | \$150 |
|-----------------------|-------|
| Primary Wording | \$150 |
| Waiver of Subrogation | |

Article 16 – SB 800 Compliance

S.G. Plastering and the Contractor represent that they are aware of all the provisions of SB 800 (California Civil Code §§ 895-945.5) and that they intend to fully utilize the Chapter 4 provisions thereof allowing the Contractor to receive notice, conduct inspections and make repair offers, to the extent such provisions are applicable to the Scope of Work performed pursuant to this contract. S.G. Plastering considers this representation material and relies upon it in entering into this contract.

In the event of a claim under SB 800, Contractor agrees to provide notice to S.G. Plastering, and S.G. Plastering agrees to provide Contractor with a method of providing timely notice, to wit: All notices should be in writing sent by first-class mail to: S.G. Plastering, Attn: Russ Grassa, 14475 Olde Highway 80, El Cajon, CA 92021.

Contractor agrees to accept claims under SB 800 and to process claims through the inspection process set forth therein. Contractor agrees to involve S.G. Plastering in any decision to end the SB 800 process or in any decision on whether to offer a repair. Contractor agrees to allow S.G. Plastering the opportunity, assuming no objection from the homeowner, to perform any repairs as part of its contribution to resolving the claim.

In the event that Contractor and any involved subcontractor fail to agree on a decision or repair offer, including allocation of fault or monetary obligation, the parties agree to proceed with the disputed decision and be subject to binding arbitration to resolve any disputes.

"Attachment A"

TECHNICAL BULLETIN #1

CRACKING IN PORTLAND CEMENT PLASTER*

Stucco, a porous material made up of sand, portland cement, and water is a protective coating but is not of itself a waterproofing product. The lathing paper which is applied behind the plaster acts as a water barrier allowing any water which penetrates the plaster skin to run down the paper and out through the weep screed at the bottom of the stucco.

Portland cement plaster is applied in the form of wet mud which then slowly dries to a hard protective coating. This coating will develop cracks if it is subject to stress greater than the strain capacity of the plaster material. In the process of hydration and the subsequent loss of free moisture of mix, stress is generated through the shrinkage of the plaster material. This stress can lead to cracking of the plaster skin.

In addition to shrinkage stress, stress may be generated from other causes such as:

- (a) Stress transfers from the structure
- (b) Thermal shock
- (c) Wind, seismic, vibration or impact stresses
- (d) Warping and twisting of underlying wood framing or sheathing
- (e) A blow from an external source

It is not always possible to control stress and thereby eliminate cracking in Portland cement plaster. Indeed, hairline cracks are the rule rather than the exception and will frequently be found radiating out from corners of doors, windows, and other openings in the plastered surface. These hairline cracks in no way compromise the integrity of the plaster coat nor shorten the useful life of the product. Patching of hairline cracks is not recommended as it will detract from the natural beauty of the stucco and will serve no useful purpose.

Drying time is a factor in the development of cracks. While the UBC allows the application of the finish coat seven days after the brown has been applied, the ideal curing time is a minimum of fourteen days to allow the normal hydration cracks to develop in the brown coat. These cracks would then be covered by the finish coat. The longer the brown coat has in which to dry before being covered, the less likely are cracks to develop and break through the finish coat.

The type of finish selected affects the visibility of hairline cracks. Cracks are most noticeable in smooth finishes and sand finishes. The more textured finishes such as spanish lace, frieze, or Arizona tend to camouflage cracks so they are rarely noticeable.

^{*}The word stucco and plaster are used interchangeably in this article.