Part B — Residential General Conditions

These Residential General Conditions are Part B of the Milestone Payment Work Authorization Contract (Residential) between an Owner and Sand Star Services, LLC. They apply to a Project only through an Agreement (Part A) that names this version, and they are read with that Agreement and with the Agreed Scope of Work Addendum. They contain no project-specific information: every name, amount, date, election and address is in the Agreement. The version of these General Conditions is the revision shown in the footer; the effective date is the publication date in the website version log at sandstarservices.com/residential-conditions.

1. Definitions and Order of Precedence

"Agreement" means Part A of the Contract, the document the Parties sign, and "General Conditions" means this Part B; "Contract" means the Agreement, these General Conditions, the Agreed Scope of Work Addendum and any signed change order, together. "Contract Sum" means the amount stated on the first page of the Agreement, as adjusted by signed change order. "Agreed Scope of Work Addendum" means the document of that name identified on the first page of the Agreement. "Project" means the work described in that Addendum at the Project address. "Extra Work" has the meaning given in the Extra Work and Change Orders clause. "Schedule of Rates" means the table of that name in the Payment Terms of the Agreement. "Substantial completion" has the meaning given in the Completion and Occupancy clause. "Day" means a calendar day and "business day" means a day other than a Saturday, Sunday, or legal holiday in the State of Texas; where a period ends on a day that is not a business day, it extends to the next business day.

AVOWO. "Aggregate Value of Work Outstanding", or "AVOWO", means at any time the aggregate value of the work Contractor has performed and the material Contractor has furnished under this Contract, including work performed and material furnished since the last milestone was invoiced, for which Contractor has not received payment. "AVOWO Limit" means the amount stated in the Payment Terms of the Agreement. AVOWO is a measure of Contractor's unpaid exposure. It is not a balance owed by Owner, it is not a credit limit, and no part of it is an extension of credit.

Order of precedence. Where the documents conflict, the following order controls, from highest to lowest: (1) a change order signed by both Parties, later in date prevailing over earlier; (2) the Agreement, including its Payment Terms; (3) these General Conditions; (4) the Agreed Scope of Work Addendum; (5) drawings, renderings, sketches, photographs, and specifications.

Schedules. A schedule attached to this Contract forms part of it only where it is identified in this Contract as doing so.

2. Contractor Qualifications and Registration

Prime contractor. Contractor is the prime contractor for the Project and is Owner's single point of responsibility for it. Contractor delivers the Project through its own employees and through trade contractors that Contractor selects, contracts with, schedules, supervises, and pays.

Registration. Contractor holds the municipal registrations required for general contracting in the jurisdictions where it works. Those registrations are stated on the first page of the Agreement.

Licensed trade work. Electrical work and air conditioning and refrigeration work required for the Project are performed by trade contractors licensed by the Texas Department of Licensing and Regulation, under their own licenses and under written subcontracts with Contractor; Contractor contracts for that work as prime contractor and does not perform it under a license of its own. Plumbing is performed under the Responsible Master Plumber identified on the first page of the Agreement.

3. No Financing or Extension of Credit

Contractor does not offer, arrange, broker, originate, or extend financing or credit of any kind. This Contract is a standalone agreement for construction services. It is not a credit agreement, a retail installment contract, a home improvement loan, or a financed transaction, and it is not made in connection with any extension of credit by Contractor.

Owner funds the work. Owner is solely responsible for having, or arranging, sufficient funds to perform its payment obligations under this Contract. Owner represents that it has done so as of the date of execution.

Payment is not contingent on financing. Owner's obligation to pay is not conditioned on Owner obtaining, drawing on, or retaining any loan, line of credit, insurance proceeds, grant, or other funding, except as Section 28.008 of the Texas Property Code provides.

Any third-party lender is Owner's. Any arrangement between Owner and a lender, funding control agent, escrow agent, or insurer is between Owner and that party. Contractor is not a party to it, is not bound by it, and takes no obligation under it. Where Owner has arranged financing with a third party, Owner gives Contractor that lender's name and contact details on request.

4. Owner Representations and Authority

Owner represents and warrants to Contractor, as of the date of execution and throughout the work, that each of the following is true.

- Owner owns the Project property, or holds sufficient legal right and authority over it, to authorize the work described in this Contract.
- The person signing this Contract for Owner has full authority to bind Owner, and where the property is owned by more than one person or by an entity, every consent required to authorize the work has been obtained.
- Owner has disclosed to Contractor every restriction, easement, right of way, owners association requirement, lease, lien, and encumbrance affecting the property and known to Owner.
- Owner has accurately stated whether the Project property is Owner's homestead and whether it is occupied by an owner as a dwelling, and will notify Contractor in writing if either changes.
- Owner has accurately stated how the Project is funded and, where any part of it is funded by a loan, whether that loan is secured by a lien on the Project property, and will notify Contractor in writing before the funding source changes.

Owner's representations in this clause are material, and Contractor enters into this Contract in reliance on them.

5. Evidence of Owner's Financial Ability

Before commencing work, and thereafter on written request where Owner fails to pay an amount when due, where Owner requests a change that materially increases the Contract Sum, or where Contractor otherwise has reasonable grounds for insecurity, Owner furnishes Contractor with reasonable evidence that Owner has made financial arrangements sufficient to perform its obligations under this Contract.

Contractor is not obliged to commence or continue work, and may suspend performance on ten (10) days' written notice, where that evidence is not furnished within ten (10) days after request. A suspension under this clause is not a breach by Contractor, extends the schedule by the period of suspension, and entitles Contractor to its standby and remobilization costs at the Schedule of Rates. Owner's financial information is treated as confidential and used only for this purpose.

6. Scope of Work

The work is described in the Agreed Scope of Work Addendum, which is attached and incorporated by reference. Dimensions shown are approximate and reasonable allowance applies. Conflicts are resolved under the order of precedence in Section 1.

Work not expressly described in the Agreed Scope of Work Addendum is not included. Exclusions are stated in the Addendum.

7. Owner-Furnished Documents; No Warranty of Design

Where Owner furnishes plans, drawings, specifications, engineering, surveys, product selections, or other design information, Owner warrants their adequacy, accuracy, and compliance with applicable code. Contractor is entitled to rely on them and does not warrant, guarantee, or assume responsibility for them, and is not the designer of record.

Contractor's review of Owner-furnished documents is the observation that a contractor would make in preparing its price and performing the work, as Section 59.051 of the Texas Business and Commerce Code describes, and Contractor discloses to Owner in writing any defect in those documents that Contractor discovers, or with ordinary diligence should have discovered, in the course of that review. Contractor is not required to perform a code review, an engineering analysis, or a constructability study, and is not liable for a defect, omission, or code non-compliance that ordinary diligence would not reveal.

Where a defect, ambiguity, omission, or code non-compliance in Owner-furnished documents causes delay, rework, or additional work, Contractor notifies Owner in writing and is entitled to an extension of time and to Extra Work compensation. Correction of the documents is Owner's responsibility and cost.

Owner-furnished materials. Any materials, equipment, or appliances Owner furnishes are identified in the Agreed Scope of Work Addendum, which allocates responsibility for their delivery, condition, quantity, suitability, and warranty. Contractor gives no warranty in respect of them and is entitled to time and Extra Work compensation for any delay or rework they cause.

8. Owner's Representative

Owner designates on the first page of the Agreement an Owner's Representative, with authority to bind Owner in the administration of this Contract. Owner may also designate in the Agreed Scope of Work Addendum a Site Representative with authority to direct Extra Work at the site up to the per-item and aggregate amounts stated there. Contractor is entitled to rely on the direction of Owner's Representative, and of the Site Representative within those limits, as the act of Owner. No other person binds Owner except by Owner's written ratification or by Owner's acceptance of the work with knowledge of it. Owner may change a designation only by written notice to Contractor.

9. Time for Performance

Contractor commences work on or about the anticipated start date and pursues the work diligently to completion. Contractor is deemed to have commenced when it moves equipment, materials, or crew onto the Project site.

Anticipated start and completion dates are estimates and are not of the essence as to Contractor's performance. Owner's obligations to pay, to provide access, and to furnish information are of the essence.

Contractor is not responsible for delay caused by any of the following: permit issuance; utility connection; Owner's funding, Owner's lender disbursement, or escrow; act or omission of Owner or Owner's agents; a defect or omission in Owner-furnished documents; differing or concealed site conditions; weather, named storms, flooding, or coastal conditions; labor disputes; supply chain interruption or material unavailability; governmental action, allocation, or inspection; epidemic or pandemic; act of God; or any other cause beyond Contractor's reasonable control. Where such a delay occurs, the schedule extends by the period of delay, and Contractor may recover documented standby, extended overhead, and remobilization costs at the Schedule of Rates.

10. Delay Damages and Liquidated Damages

No liquidated damages. This Contract provides for no liquidated damages, delay damages, or per-day charge against Contractor.

11. Permits, Property Lines, and Utilities

Owner pays all fees, assessments, and charges imposed by public bodies and utilities, including permit fees, tap and hookup charges, and impact or reimbursement charges, unless the Agreed Scope of Work Addendum expressly states otherwise.

Owner locates and points out the property lines and, if there is any doubt, engages a licensed surveyor to set boundary stakes. Owner is responsible for the accuracy of boundary markers and provides Contractor with copies of all restrictions, easements, rights of way, and applicable owners association requirements before work begins.

Owner provides water, sewer, gas, and electric service to the point of entry at the property line or to metering devices, and provides the electricity Contractor requires at the site. Owner makes drinking water and toilet facilities available to workers or reimburses Contractor for rented facilities.

Changes required by a public body, utility, or inspector that are not shown in the Agreed Scope of Work Addendum are Extra Work.

12. Access to the Site

Owner grants Contractor, its employees, subcontractors, and suppliers free access to the work areas during scheduled working hours, together with reasonable space for staging materials, equipment, and debris, and keeps driveways clear for movement and parking. No person other than Contractor's employees and subcontractors uses Contractor's scaffold, ladders, lifts, tools, or equipment, and Owner is responsible for any use in breach of this sentence.

Owner is responsible for securing the site against access by persons other than Owner, Contractor, and authorized workers and suppliers. Contractor stores its equipment and materials at the end of each work day in the areas Owner provides.

If Owner denies access during scheduled working hours, Owner is in breach and is responsible for the resulting standby, delay, and remobilization costs at the Schedule of Rates.

Contractor is not liable for damage to driveways, walks, lawns, shrubs, or other vegetation arising from the ordinary movement of vehicles, workers, equipment, materials, or debris.

13. Owner's Property and Occupied Premises

Owner removes or otherwise protects personal property in and around the work area, including carpets, rugs, drapes, furniture, artwork, electronics, shrubs, and plantings. Contractor is not responsible for damage to or loss of personal property left in the work area.

Where the property is occupied during the work, Owner is responsible for the safety of occupants, children, and pets, and keeps them clear of the work area. Contractor may stop work where occupants enter an active work area, and any resulting delay is Owner's responsibility.

14. Existing Conditions Record

Before mobilization, Contractor makes a dated photographic and written record of the condition of the work area and of the areas through which access, staging, and material movement will occur, including any damage, defect, or deficiency already present.

Delivery and objection. Contractor delivers the record to Owner before mobilization. Owner may object in writing within the period stated in the record, identifying anything Owner contends is inaccurate or incomplete. Absent a timely written objection, the record is the agreed condition of the property as of commencement.

Effect. A claim that Contractor caused damage to the property must be supported by evidence that the condition differed from the Existing Conditions Record. Contractor is not responsible for any condition shown in the record, and is not responsible for a condition that was concealed and could not reasonably have been recorded.

No record, no shift of burden. Contractor's failure to make or to deliver the record does not create liability for a pre-existing condition, does not shift the burden of proof, and is not a breach of this Contract. It affects only the evidence available to the Parties.

Progress and completion records. Contractor may make further dated records during the work and at completion. Those records are project records under the Photography, Video, and Marketing License clause and may be used in any claim, dispute, or proceeding.

Records as evidence. Contractor's dated photographs, daily logs, and customer portal entries made in the ordinary course are business records, and Owner waives objection to their authenticity where Owner had access to them in the customer portal.

15. Concealed and Unmarked Utilities and Services

Before work begins, Owner identifies and marks the location of all concealed electrical, gas, water, sewer, irrigation, data, communications, security, fire, and low-voltage lines and services in, under, or adjacent to the work area, and provides Contractor with any as-built drawings, plans, or service records in Owner's possession or reasonably available to Owner.

Energized services. Owner identifies every circuit, line, or service that is energized, pressurized, or in service, and identifies any circuit that is energized notwithstanding a label, panel schedule, breaker position, or prior representation to the contrary. Owner is responsible for the accuracy of panel schedules, labels, and shut-off identification at the property.

Contractor's standard of care. Contractor exercises reasonable care and uses standard trade practice to locate and protect services that are marked, shown on documents provided, or reasonably discoverable by visual inspection.

Contractor is not liable for damage to, or arising from, any line or service that is concealed, unmarked, not shown on documents provided to Contractor, incorrectly located, mislabeled, energized when represented as de-energized, or installed other than in accordance with applicable code. Repair of such a line or service, and of any resulting damage, is Extra Work and is charged in addition to the Contract Sum.

Where Contractor encounters an unmarked or unexpected service, Contractor stops work in the affected area, makes the area safe, and notifies Owner before proceeding.

16. Work of Others and No Deemed Acceptance

Contractor is responsible for its own work and for the work of subcontractors it engages. Contractor is not responsible for, and does not warrant, adopt, ratify, or assume liability for, work performed by Owner, by Owner's other contractors, by a prior contractor, or before Contractor's engagement.

Commencing work does not constitute inspection, approval, or acceptance of any prior work or existing condition, and Contractor is not deemed to have accepted any prior work as correct, complete, code-compliant, or fit to build upon by reason of proceeding with its own work.

Any obligation of Contractor to review the work of another party is limited to a visual review of readily observable conditions in the immediate work area. Contractor is not required to open finished work, test systems, engage a consultant, or perform a code review of another party's work, and is not liable for a defect that such a review would not reveal.

Where Contractor identifies a condition in the work of another party that affects its own work, Contractor notifies Owner in writing and is entitled to an extension of time and to Extra Work compensation for any resulting delay or additional work.

17. Materials

Owner authorizes Contractor to select materials appropriate to complete the Project, unless the Agreed Scope of Work Addendum specifies particular materials. Where Owner requires a variation in material, specification, quality, or color, the variation must be agreed in a writing signed by both Parties and attached to this Contract, and is Extra Work if it increases cost or time.

Contractor may substitute a material of equal or better quality where the specified material is unavailable, discontinued, or subject to unreasonable delay, on notice to Owner.

18. Material Price Escalation

The Contract Sum is based on material, equipment, and fuel prices in effect on the date of execution. Where the price Contractor must pay for a material, an item of equipment, or fuel required for the work increases by more than five (5) percent between execution and the date Contractor commits to purchase it, the increase above five (5) percent is Extra Work and is added to the Contract Sum.

Evidence and Owner's election. Contractor supports a claim under this clause with supplier quotations or invoices evidencing the price at execution and the price at purchase, and notifies Owner before committing to the purchase where practical. Where the increase exceeds twenty-five (25) percent of the affected item and Owner declines to pay it, either Party may delete the affected work from the Scope by written notice, and the Contract Sum is reduced by the value of the deleted work.

Tariffs and governmental action. Where a tariff, duty, allocation, embargo, or governmental action first imposed after execution increases the cost of, or delays, a material or item of equipment required for the work, the increase is Extra Work and the schedule extends accordingly.

19. Concealed and Abnormal Conditions

Contractor is not responsible for existing conditions that are concealed, unknown, illegal, or not in compliance with current code, and is not responsible for unusual or abnormal footings, foundations, retaining walls, piers, or depth requirements, including conditions caused by poor soil, lack of compaction, subsidence, slope, or coastal exposure.

Where such a condition is discovered, Contractor notifies Owner, and correction of the condition is Extra Work. Contractor may, but is not obliged to, correct it.

Existing electrical wiring and service are assumed adequate for the load imposed, and Owner represents them to be so. Work required to correct inadequate existing wiring or service is Extra Work. Unless the Agreed Scope of Work Addendum states otherwise, this Contract does not include changes to plumbing, gas, waste, or water lines outside the foundation of an existing building, work on cesspools or septic systems, or the rerouting or replacement of vents, pipes, ducts, or conduits not shown.

Excavation does not include work in filled ground, ground of inadequate bearing capacity, rock, or material not removable by ordinary hand tools. Correction of damage caused by termites, wood-destroying insects, dry rot, mold, or water intrusion is not included. Each is Extra Work.

Contractor makes reasonable efforts to match existing textures, colors, and planes in patching and repair. Exact duplication is not promised and is not a defect.

20. Hazardous Materials

Removal, disturbance, encapsulation, or transportation of hazardous materials, including asbestos, lead-based paint, mold, silica, and contaminated soil or water, is not within Contractor's scope unless the Agreed Scope of Work Addendum expressly states otherwise. Where the Project property is target housing under 40 CFR Part 745 and the work will disturb painted surfaces, Contractor is an EPA Lead-Safe Certified Firm under 40 CFR 745.89 (certificate number stated on the first page of the Agreement) and performs that work using a certified renovator and lead-safe work practices, delivers the EPA pamphlet and the required pre-renovation information to Owner and occupants before the work begins, gives Owner the renovation record with the final invoice, and prices that work in the Contract Sum; abatement remains excluded.

If Contractor encounters or suspects a hazardous material, Contractor stops work in the affected area immediately and notifies Owner. Work does not resume until the condition is assessed and, where required, abated by a properly licensed party. Owner is responsible for the cost of assessment and abatement, and for any resulting delay. Contractor is not liable for any claim arising from a hazardous material it did not bring to the site.

21. Extra Work and Change Orders

Extra Work is any work outside the Agreed Scope of Work Addendum, including work directed by Owner, by Owner's Representative, by Owner's third-party lender, or by a public body or inspector, and work arising from a concealed or abnormal condition, a hazardous material, a defect in Owner-furnished documents, an Owner-requested variation, a price escalation under Section 18, or a change in law or code.

Extra Work is priced in advance where practical, and is added to the Contract Sum together with Contractor's customary overhead and profit. A change order signed or initialed by both Parties forms part of this Contract and controls over any conflicting provision. Owner pays for Extra Work as the work progresses, concurrently with regularly scheduled payments.

Written authorization, and verbal direction. Contractor does not perform Extra Work without Owner's written authorization stating the agreed price and any schedule impact. Notwithstanding that requirement, where Owner or Owner's Representative directs Extra Work verbally and Contractor performs it in reliance on that direction, Owner remains liable for its reasonable value together with Contractor's customary overhead and profit. Contractor confirms any verbal direction in writing as soon as practical, and Owner's failure to object in writing within three (3) business days after that confirmation is acceptance of it. Owner may not rely on the absence of a signed change order to avoid paying for work Owner directed and received.

Homestead. Where the Project property is Owner's homestead and election (b) has been made under the Homestead Security Election and Execution Method Section of the Agreement, Extra Work is secured by Contractor's lien only where it is agreed in a change order signed by Owner and, where Owner is married, by Owner's spouse.

Contractor may elect not to proceed with additional work directed by Owner where the aggregate value of change orders not signed by Owner exceeds ten (10) percent of the original Contract Sum, as Section 28.0091 of the Texas Property Code permits, and may decline Extra Work that falls outside its licensed trades, its insurance, or its available capacity. Declining is not a breach of this Contract.

22. Debris and Clean-Up

Except for items Owner designates in writing before work begins, Contractor disposes of material removed in the course of the work. Contractor removes construction debris on completion and leaves the premises in neat, broom-clean condition.

23. Photography, Video, and Marketing License

Marketing use requires opt-in. Any use of images or recordings of the Project in Contractor's portfolio, website, proposals, or advertising requires Owner's separate opt-in in the Customer Portal, which states the terms of that license and which Owner may withdraw for future use at any time. Contractor owns the copyright in the images and recordings it creates; Owner retains all rights in the property itself.

What Contractor will not publish. Contractor will not publish the street address, unit number, gate or alarm code, security arrangement, or any other detail that identifies the location of the Project, and will not identify Owner by name, without Owner's

separate written consent. Where an image would identify an occupant, tenant, or member of the public, Contractor obtains that person's written release before publication. Contractor does not publish images of the interior of an occupied residence that show personal effects, documents, or valuables.

Job documentation is separate. Images captured to document conditions, progress, and completion are project records, are not governed by this clause, and may be used for that purpose and in any dispute, claim, warranty matter, or proceeding whether or not Owner grants the marketing license.

24. Lien Rights and Non-Payment

If any amount payable under this Contract remains unpaid thirty (30) days after it became due, Contractor may, without further notice to Owner and in addition to every other remedy available to it, take all steps necessary to perfect, file, and enforce a mechanic's, contractor's, or materialman's lien against the Project property under Chapter 53 of the Texas Property Code, and may pursue any bond or other security available to it.

Accrual on termination for non-payment. Where Contractor terminates this Contract for Owner's failure to pay under the Termination Section of the Agreement, Contractor's written notice of termination is a declaration that the original contract has been terminated for the purposes of Section 53.053 of the Texas Property Code, and Contractor's indebtedness accrues on the last day of the month in which Owner receives it. Contractor does not file a lien affidavit before indebtedness has accrued under that section.

Disbursement statement. Where Owner's lender requires it, or where Contractor elects to furnish it, a request for payment is accompanied by the statement described in Section 53.258 of the Texas Property Code, listing the name and address of each subcontractor and supplier to be paid from the requested payment, by the method that section permits. The statement does not state the amount payable to any person.

Suspension of work. Contractor may suspend work and keep the Project idle while any amount is past due, on ten (10) days' written notice to Owner and an opportunity to cure within that period.

No waiver by acceptance. Contractor's acceptance of a partial or late payment does not waive any lien, claim, interest, or remedy for the balance, and does not modify the payment terms of this Contract.

Homestead. Where the Project property is Owner's homestead, Contractor's lien rights depend on the election made under the Homestead Security Election and Execution Method Section of the Agreement.

25. Backcharges, Offsets, and Deductions

No amount may be withheld, offset, backcharged, deducted, or set off against any amount owed to Contractor except in accordance with this clause. This clause governs only Owner's right to withhold from a payment; a claim for damages is governed by the Notice of claims paragraph of the Limitation of Actions clause.

Written notice. Owner must give Contractor written notice of any claimed damage, defect, or backcharge within ten (10) days after Owner discovers it, or within ten (10) days after Owner reasonably should have discovered it, whichever is earlier. The notice must itemize the claim, state the amount claimed, identify the specific work or event alleged to have caused it, and attach the supporting documentation and photographs on which Owner relies.

Inspection and cure. Contractor has five (5) business days after receiving the notice to inspect, and a reasonable period after inspection to correct the condition at its own cost. Owner may not engage another party to perform corrective work, and may not incur a cost to be backcharged, before that period has run.

Amount. A permitted backcharge is limited to the reasonable, documented, direct cost of correction, supported by third-party invoices. It does not include markup, overhead, profit, administrative charges, liquidated amounts, or any estimated or unsupported figure.

Undisputed amounts are paid when due. A claimed offset applies only to the specific amount claimed. It does not suspend, reduce, or postpone Owner's obligation to pay any other amount, does not extend any due date, and does not prevent an unpaid balance from becoming past due under the Lien Rights and Non-Payment clause.

No effect on lien rights. The assertion of a backcharge, offset, or damage claim does not waive, suspend, or impair Contractor's statutory lien or bond rights, and does not extend or shorten any period under Chapter 53 of the Texas Property Code.

Failure to follow this clause. Where Owner asserts a backcharge without the notice, itemization, documentation, inspection, and cure opportunity required by this clause, then to the extent Chapter 28 of the Texas Property Code permits, Owner is liable to Contractor for the resulting costs, and Contractor's obligation in respect of the claimed item is limited to what it would have been had the procedure been followed.

Chapter 53 withholding. Owner may withhold from Contractor the amounts Chapter 53 of the Texas Property Code requires Owner to reserve or authorizes Owner to withhold on a claimant's notice. Contractor discharges or bonds around a lien or claim filed or noticed by its subcontractor or supplier within fifteen (15) days after Owner shows that Contractor has been paid for that work.

26. Lien Waivers and Releases

Contractor executes a waiver or release of lien rights only in a form prescribed by Section 53.284 of the Texas Property Code. No other form is effective, and Contractor is under no obligation to sign one.

Conditional until payment clears. A waiver or release delivered in exchange for payment is conditional on actual receipt and final clearance of that payment. A release delivered against a payment that is later dishonored, reversed, charged back, or recovered is void.

Scope limited to amounts actually paid. A waiver or release extends only to the amount actually paid and to work performed through the date stated in it.

Where Contractor releases a recorded lien for any reason other than payment in full, the release preserves every right Contractor has to pursue the underlying debt.

Authority. A waiver or release binds Contractor only if signed by an officer of Contractor authorized to do so. No project manager, supervisor, crew member, or subcontractor of Contractor has authority to waive, release, or subordinate a lien or claim.

Execution through the customer portal. A waiver and release in a form prescribed by Section 53.284 may be signed and exchanged electronically through the customer portal under the Electronic Execution through the Customer Portal clause.

27. Work Stoppage and Suspension

Contractor may stop work and keep the Project idle where payment is not made when due, where Owner denies access, where a hazardous material or unsafe condition is present, where evidence of financial ability is not furnished under Section 5, or where Owner fails to perform an obligation under this Contract. Contractor gives ten (10) days' written notice before suspending for non-payment.

Where the work is stopped for any reason for a continuous period of forty-five (45) days, Contractor may, on five (5) days' written notice, terminate this Contract, and Owner pays the amounts described in the Termination Section of the Agreement.

Where work is stopped, Owner is responsible for protecting materials on the premises and for any damage, warping, racking, deterioration, or loss.

Any Sand Star worker, and any person on the site, may stop a task that appears unsafe. Contractor will not resume the task until the hazard is controlled, and no such stop is a breach of this Contract or a basis for a delay claim against Contractor.

28. Insurance

Contractor maintains, at its own cost, commercial general liability insurance with limits of not less than one million dollars ($1,000,000) each occurrence and two million dollars ($2,000,000) general aggregate, automobile liability insurance with a limit of not less than one million dollars ($1,000,000) combined single limit, and Texas workers' compensation insurance covering its employees with employer's liability limits of not less than one million dollars ($1,000,000). Certificates are provided on request.

Owner maintains property insurance on the Project property, including coverage for fire, windstorm, flood where applicable, vandalism, and malicious mischief, in an amount not less than the Contract Sum, throughout the work, and notifies its insurer of the work before it begins. Owner provides evidence of that coverage on request.

Waiver of subrogation. Each Party waives, and causes its property insurer to waive by endorsement where available, all rights of subrogation against the other Party, its officers, employees, and subcontractors, for loss or damage to the Project property or to work in progress to the extent that loss is covered by property or builder's risk insurance. This waiver applies whether or not the

loss is caused by the negligence of the party against whom subrogation is waived, including gross negligence, to the extent Texas law permits. For this paragraph, “Project property” means the building and its contents at the Project address.

Owner obtains and pays for insurance covering injury to Owner’s own employees, persons under Owner’s direction, and persons present at the site at Owner’s invitation.

Where the Project is damaged or destroyed by fire, storm, flood, or similar cause, rebuilding or restoration by Contractor is Extra Work. Where the estimated cost of replacing work already performed exceeds twenty (20) percent of the Contract Sum, either Party may terminate this Contract, and Owner pays the amounts described in the Termination Section of the Agreement.

29. Insurance Proceeds, Deductibles, and Claim Handling

Where the Contract Sum is one thousand dollars ($1,000) or more and Contractor reasonably expects to be paid wholly or partly from the proceeds of a property insurance claim, the Agreement carries the notice that Section 27.02 of the Texas Business and Commerce Code requires, Owner remains liable for the full Contract Sum irrespective of what the insurer pays, and Owner pays the applicable deductible in full.

No public adjusting. Contractor may document damage, prepare and provide scopes and estimates of repair, meet the insurer’s representative at the site, and give factual information about the work. Contractor does not negotiate, adjust, or settle Owner’s insurance claim and gives no advice about coverage or the amount Owner should accept.

Scope declined by the insurer. Where Owner’s insurer declines a scope item in writing before Contractor performs it, Owner may delete that item by written notice and the Contract Sum is reduced by its value. Items already performed remain payable.

30. Limited Express Warranty

This clause states the whole of Contractor’s warranty obligation and supersedes the implied warranty of good and workmanlike repair. Contractor warrants that it will perform the work described in the Agreed Scope of Work Addendum in accordance with the manner of performance, methods, materials, systems, and quality standards stated in the Manner, Materials and Methods section of that Addendum, in accordance with the building codes applicable at the time of performance, and to the standard of quality ordinarily observed by remodeling and repair contractors performing comparable work in Galveston County, Texas.

Duration. This warranty runs for one (1) year from substantial completion of the Project as a whole. Where Owner uses or occupies a portion of the Project before substantial completion of the whole, the warranty for that portion begins on the date of that use or occupancy. The warranty expires at the end of the applicable period and Contractor has no obligation to correct any item first reported after it.

Sole remedy. Contractor’s obligation, and Owner’s sole remedy under this warranty, is for Contractor to repair or replace the non-conforming work, at Contractor’s election. Contractor is not liable for the cost of work performed by anyone else, for any amount exceeding the cost of the repair, or for any consequential loss.

Notice and right to cure are conditions. Owner must give Contractor written notice describing the claimed non-conformity within the warranty period and must allow Contractor a reasonable opportunity to inspect and to correct it. Where Owner engages another party without giving Contractor that opportunity, this warranty is void as to that item and Contractor is not liable for the cost.

Manufacturer warranties pass through. Materials, equipment, appliances, assemblies, and manufactured units carry only the warranty the manufacturer or supplier provides. Contractor assigns those warranties to Owner to the extent they are assignable and will reasonably assist Owner in making a manufacturer claim. Contractor does not independently warrant them.

Exclusions. This warranty does not cover any of the following: ordinary wear; damage from misuse, abuse, neglect, or failure to maintain; alteration, repair, or addition by anyone other than Contractor; damage caused by a party other than Contractor or its subcontractors; movement, settlement, deflection, cracking, or separation within normal industry tolerance; conditions arising from pre-existing, concealed, or code-non-compliant conditions Contractor did not create; damage from weather, named storms, flooding, wind-driven rain, humidity, or coastal exposure; mold or organic growth; insect or pest damage; variation in color, grain, texture, or finish of natural or manufactured materials; or work Owner directed contrary to Contractor’s written recommendation.

Standard where the Addendum is silent. Where the Agreed Scope of Work Addendum states no manner, materials, or methods for an item of work, the standard for that item is the manufacturer’s published installation instructions and the building code applicable at the time of performance.

EXCEPT FOR THE EXPRESS WARRANTY STATED IN THIS CLAUSE, WHICH IS GIVEN IN PLACE OF THE IMPLIED WARRANTY OF GOOD AND WORKMANLIKE PERFORMANCE AS STATED ABOVE, AND TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THIS DISCLAIMER DOES NOT LIMIT ANY RIGHT OWNER HAS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES AND CONSUMER PROTECTION ACT OR CHAPTER 27 OF THE TEXAS PROPERTY CODE.

31. Bonds and Taxes

Bonds. No performance or payment bond is required unless stated in a writing signed by both Parties before execution. Where Owner requires a bond, the bond is issued by a surety authorized in Texas and listed on the current U.S. Treasury Circular 570, on the form the surety and Contractor approve, the premium and any collateral cost are added to the Contract Sum, Contractor's obligation to furnish the bond is subject to its surety's written commitment, and a payment bond is recorded with this Contract as Chapter 53, Subchapter I of the Texas Property Code provides. Owner's demand for a bond after execution is a change Contractor may decline.

Taxes. The Contract Sum excludes state and local sales and use taxes on the total charge that Texas law imposes on repair, remodeling, or restoration of nonresidential real property. Where the Project is nonresidential real property and the work is repair, remodeling, or restoration under Chapter 151 of the Texas Tax Code and Comptroller Rule 3.357, Owner pays the applicable tax on each invoice in addition to the Contract Sum or delivers a properly completed exemption or resale certificate before the first invoice. Where the work is new construction or residential real property under those rules, Contractor pays tax on materials it incorporates and no tax is added to the invoice. The tax treatment of the Project is stated in the Agreed Scope of Work Addendum.

32. Corrective and Punch-List Work

Where minor corrective or punch-list items remain after the Project is otherwise ready for use or occupancy, Contractor completes them promptly and Owner does not withhold payment pending their completion.

Where major corrective items remain and their aggregate reasonable cost exceeds one (1) percent of the Contract Sum, Owner may withhold an amount sufficient to complete those items, and no more. Owner releases the withheld amount promptly on completion.

33. Completion and Occupancy

The work is substantially complete when it is sufficiently finished in accordance with the Agreed Scope of Work Addendum that Owner can use or occupy the Project for its intended purpose, whether or not punch-list items remain.

Use or occupancy of the Project, or of any portion of it, for its intended purpose constitutes acceptance of that portion as substantially complete and starts the warranty period for it.

Owner pays all amounts then due on substantial completion. Contractor may withhold delivery of final documentation, manuals, warranties, keys, and access credentials until it has received all amounts due.

On request and on receipt of payment, Contractor provides a conditional or unconditional waiver and release in the form prescribed by Section 53.284 of the Texas Property Code, appropriate to the payment made.

Final bills-paid affidavit. When the final payment is tendered, Contractor delivers to Owner the affidavit described in Section 53.259 of the Texas Property Code, on Contractor's form as published in the BMS, stating that all persons who furnished labor or material for the work have been paid in full or listing each unpaid person and the amount owed, and Owner's obligation to make the final payment is not delayed by any other affidavit or certificate not required by that section.

34. Limitation of Actions

An action arising out of or relating to this Contract must be commenced within two (2) years after the claim accrues, and is barred thereafter. This clause does not shorten any period fixed by statute for a claim under the Texas Deceptive Trade Practices and Consumer Protection Act or under Chapter 27 of the Texas Property Code, and does not extend any statute of repose.

Notice of claims. A Party asserting a claim for damages, backcharge, defective work, delay, or other loss arising out of this Contract gives the other Party written notice under the Notices clause within ninety (90) days after the Party knew or reasonably should have known of the event giving rise to the claim, stating the event, the provision relied on, and the amount or a good-faith estimate.

Timely notice is a condition precedent to any proceeding on the claim, and a claim not noticed within that period is waived. This paragraph does not apply to Contractor's claims for payment of the Contract Sum, Extra Work, amounts at the Schedule of Rates, interest, or fees, to any right or deadline under Chapter 28 or Chapter 53 of the Texas Property Code, or to any claim under Chapter 27 of the Texas Property Code or the Texas Deceptive Trade Practices and Consumer Protection Act, none of which is shortened or waived by it.

35. Attorney's Fees

In any arbitration, mediation, or litigation arising out of or relating to this Contract, the prevailing Party recovers its reasonable and necessary attorney's fees actually incurred, expert fees, and costs, and no presentment is required as a condition of that right. The prevailing Party is the Party that obtains substantially the relief it sought, as determined by the arbitrator or the court. Fees are not calculated as a fixed percentage of any amount in dispute. This clause does not limit Owner's right to recover fees under the Texas Deceptive Trade Practices and Consumer Protection Act, and Contractor does not recover fees from Owner on a claim under that Act except as Section 17.50(c) of that Act permits.

36. Notices

Notice under this Contract is given in writing, by hand delivery, by certified mail return receipt requested, by nationally recognized overnight courier, or by electronic mail to the Contractor notice email stated on the first page of the Agreement with a copy to info@SandStarServices.com for Contractor, and to the email address stated for Owner. Notice by mail is effective three (3) business days after deposit. Notice by hand or courier is effective on delivery. Notice by electronic mail is effective on transmission, unless the sender receives an automated delivery failure, in which case it is not effective and must be given by another permitted method.

Notices that matter. A notice of default, suspension, termination, backcharge, warranty claim, or claim under Chapter 27 of the Texas Property Code is effective only if given by certified mail return receipt requested or by courier, with a copy by electronic mail.

A Party changing its address or email gives written notice of the change. Any notice required by statute is given in the manner the statute requires, and this clause does not vary a statutory notice requirement.

37. Assignment, Subcontracting, and Non-Solicitation

Owner may not assign this Contract without Contractor's written consent. Contractor may subcontract portions of the work and remains responsible for work performed by its subcontractors. This Contract binds and benefits the Parties and their permitted successors and assigns.

During the work and for twelve (12) months after completion, Owner will not directly engage any Contractor employee or subcontractor introduced to Owner through this Project to perform work of the kind covered by this Contract, without Contractor's written consent. This clause restricts Owner only and does not restrict any person's right to work.

38. Force Majeure

Neither Party is liable for failure or delay in performance caused by an event beyond its reasonable control, including named storm, hurricane, flood, tidal surge, fire, epidemic or pandemic, governmental order, civil unrest, labor dispute, or failure of a utility or supply chain. The affected Party gives prompt notice and resumes performance when reasonably able. Owner's obligation to pay for work already performed is not excused.

Where a force majeure event continues for more than ninety (90) days, either Party may terminate this Contract on ten (10) days' written notice, and Owner pays Contractor for all work performed, all materials ordered or supplied, all non-cancellable commitments, and demobilization costs. Additional cost that a force majeure event imposes on the work is Extra Work.

39. Governing Law and Venue

This Contract is governed by the laws of the State of Texas without regard to conflict-of-laws principles. That choice governs the substance of any dispute and does not displace the Federal Arbitration Act, which governs the arbitration agreement in the Agreement.

Venue for any proceeding that is not arbitrated lies in the Texas county in which the Project property is located.

40. Severability, Waiver, Cumulative Remedies, and Survival

If any provision is held unenforceable, the remainder continues in effect and the unenforceable provision is modified to the minimum extent necessary to make it enforceable. A Party's failure or delay in enforcing a provision is not a waiver of it, and no waiver is effective unless in writing. The rights and remedies in this Contract are cumulative and in addition to every right and remedy available at law or in equity. Nothing in this Contract waives, shortens, or limits any right Owner has under the Texas Deceptive Trade Practices and Consumer Protection Act or under Chapter 27, Chapter 28, or Chapter 53 of the Texas Property Code that may not be waived, and those statutes govern to the extent of any conflict.

Survival. The following survive completion or termination: the Payment Terms and Sections A2 to A8 of the Agreement; and, of these General Conditions, Lien Rights and Non-Payment; Backcharges, Offsets, and Deductions; Lien Waivers and Releases; Existing Conditions Record; Photography, Video, and Marketing License; Insurance Proceeds, Deductibles, and Claim Handling; Limited Express Warranty; Limitation of Actions; Attorney's Fees; Assignment, Subcontracting, and Non-Solicitation; Electronic Execution through the Customer Portal; and Governing Law and Venue.

Headings are for convenience only and do not affect interpretation. This Contract confers no right on any person who is not a Party to it.

41. Electronic Execution through the Customer Portal

Consent and scope. Owner and Contractor agree to conduct this transaction by electronic means. Before any document is signed, each person signing accepts the Sand Star customer portal's Electronic Records and Signatures Disclosure in that person's own name, and the version and the content of the Disclosure that person accepted are recorded on the project record for that person. Where this Contract requires more than one signer, each signer accepts the Disclosure separately, and acceptance by one signer is not acceptance by another. This Contract, and related project documents including change orders, estimates, recorded selections, and routine notices, may be executed and delivered electronically through the portal, and an electronic signature or initial so applied is binding under Chapter 322 of the Texas Business and Commerce Code and the federal Electronic Signatures in Global and National Commerce Act.

Agreed procedure for attributing signatures. The Parties agree that a one-time sign-in code sent to a Party's email address of record, together with the portal's session controls, is the procedure the Parties have agreed to use to verify that a signature, initial, or portal action is that of the person to whom it is attributed.

More than one signer. Where this Contract requires more than one signer, each signer signs in with a one-time code sent to that signer's own email address of record. A single link or code is not used for more than one signer. This Contract is not executed until every required signer has signed, and the date of execution is the date on which the last required signer signs. Where a signer is added to or removed from the required signers after any signature has been applied, the signing is void and begins again.

Record of execution. The archived signed PDF of this Contract, with the portal's certificate of completion embedded in it and the text of the Electronic Records and Signatures Disclosure as each signer accepted it appended to it, is the record of completion. Contractor retains the record for ten (10) years and provides a copy to Owner on request at no charge.

Documents excluded from portal execution. The portal is not used to execute a lien-perfecting homestead contract under the Homestead Security Election and Execution Method Section of the Agreement, a mechanic's lien affidavit or any other sworn instrument, or any notice that this Contract or a statute requires to be given by certified mail return receipt requested or by another prescribed means.

Relationship to the Notices clause. A routine notice under this Contract may be given through the portal. A notice of default, suspension, termination, backcharge, warranty claim, or a notice under Chapter 27 or Chapter 53 of the Texas Property Code is given in the manner the Notices clause requires, and posting it to the portal is not a substitute for that notice.

42. Usury Savings

Usury savings. It is the intention of the Parties to conform strictly to the usury laws of the State of Texas. All agreements between the Parties are expressly limited so that the aggregate of all amounts contracted for, charged, taken, reserved, or received that constitute interest under applicable law never exceeds the maximum amount permitted by that law. If any amount otherwise payable would exceed that maximum, it is automatically reduced to the maximum, and any amount already received that exceeds

the maximum is applied to reduce the outstanding principal balance or, if no balance remains, refunded to Owner. This provision controls over every other provision of this Contract.