



Medrano Brothers Inc. DBA MB Services  
info@medranobros.com  
2144 Priest Bridge Ct, Suite 18  
Crofton, MD 21114  
PH: 443-590-5048  
<http://www.mb-services.us>

### **LEGAL DISCLAIMER**

Should you accept an estimate, yet use your own contract form, it is understood that this proposal becomes a part thereof. This document (Disclaimer) serves as a legal binding agreement (Contract) between the property owner, hereby identified as "client," and MB Services and its agents, owners, employees, and subcontractors, hereby identified as "Company," for the execution of services in exchange for payment for our services. General terms and conditions of agreement below are applicable to all our services with no exceptions.

### **GENERAL TERMS AND CONDITIONS OF AGREEMENT**

By accepting an estimate, the Client agrees that all the specifications and conditions are satisfactory and hereby accepted. You authorize MB Services to do the work as specified on the proposal/estimate form. You release MB Services from property damage unless damage is caused by gross negligence or willful misconduct. MB Services is not responsible for damage to lose siding, windows, paint, wood trim or any damage not directly related to our contractual services. Any damages due to the above are the responsibility of the owner.

1. This contract creates a mortgage or lien against your property to secure payment and may cause a loss of your property if you fail to pay the amount agreed upon. You have the right to consult an attorney.
2. You have the right to rescind this contract within three business days after the date you sign it by notifying the contractor in writing that you are rescinding the contract.
3. The term of this Agreement will become in full effect and enforce after three days from the acceptance of the estimate and/or payment of the deposit and will remain in full force and effect until the completion of the Services, subject to earlier termination as provided in this Agreement. The Term may be extended with the written consent of the Parties.
4. The contractor has the right not to start a project if the client has not paid the deposit or refuses to pay the deposit before the date the project is scheduled to start.
5. The Contractor is not responsible for third party installations, mismeasurements, Inspections, or any other possible situation that will affect the job performance or results. Contractor shall not be responsible for work performed by contractors or individuals neither contracted nor employed by it.
6. The Contractor will charge the Client a flat fee for the Services (the "Compensation").
7. STANDARD EXCLUSIONS: Unless specifically included in the "General Scope of Work" section above, this Agreement does not include labor or materials for the following work:
  - 5.1 Testing, removal and disposal of any materials containing asbestos (or any other hazardous material as defined by the EPA).
  - 5.2 Custom milling of any wood for use in project.
  - 5.3 Moving Owner's property around the site.
  - 5.4 Labor or materials required to repair or replace any Owner-supplied materials.
  - 5.5 Final construction cleaning (Contractor will leave site in "broom swept" condition).
  - 5.6 Correction of existing out-of-plumb or out-of-level conditions in existing structure.
  - 5.7 Correction of concealed substandard framing.
  - 5.8 Rerouting/removal of vents, pipes, ducts, structural members, wiring or conduits, steel mesh which may be discovered in the removal of walls or the cutting of openings in walls (except as otherwise noted).
  - 5.9 Removal and replacement of existing rot or insect infestation.
  - 5.10 Failure of surrounding part of existing structure, despite Contractor's good faith efforts to minimize damage, such as plaster or drywall cracking and popped nails in adjacent rooms or blockage of pipes or plumbing fixtures caused by loosened rust within pipes.
  - 5.11 Exact matching of existing finishes. Repair damage to roadways, driveways, or sidewalks that could occur when construction equipment and vehicles are being used in the normal course of construction.
  - 5.12 Cost of correcting errors and omissions by the Owner's design professionals and separate contractors or agents.
  - 5.13 Cost of correcting/testing/remediating mold/fungus/mildew and organic pathogens unless caused by the sole and active negligence of Contractor as a direct result of a construction defect that caused sudden and significant water infiltration into a part of the structure.
  - 5.14 Cost to modify and/or remanufacture custom brackets and other custom-fabricated materials that are manufactured per plans and/or specifications but do not fit properly into the structure.
8. It is agreed and understood that work under the agreement is substantially complete when the owner has use of the product for its intended purpose. Service issues including but not limited to, punch list, minor defects and missing hardware shall not delay payment to contractor.
9. Should any easements, zoning changes, or modifications to applicable covenants be required to complete the home improvement project, the Homeowner shall be fully responsible for any costs incurred.
10. If this Agreement is terminated by the Client prior to completion of the Services but where the Services have been partially performed, the Contractor will be entitled to pro rata payment of the Compensation to the date of termination.
11. Contractor has no control over lead times and final decision regarding County Permit Applications. Therefore, the contractor will not be liable for a permit non approval. The contractor will do all diligence to follow the county requirements for any required permit.
12. It is agreed that there is no representation, warranty, collateral agreement, or condition affecting this Agreement except as expressly provided in this Agreement.
13. Client agrees to allow Company to make use of any photos, descriptions, reviews, quotes, or videos of the property and/or the client in the context of marketing or advertising for the Company.



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14. The company will use these items described in this section without any compensation to the Client. The client agrees not to seek punitive action in a civil court of law regarding the development, display, reproduction, or printing of the above examples of media. This does include the use of photos, addresses, testimonials, and videos posted or displayed on online venues such as social media and the Company's website.
15. Except as otherwise provided in this Agreement, the Contractor will provide at the Contractor's own expense, all tools, machinery, equipment, raw materials, supplies, workwear and any other items or parts necessary to deliver the Services in accordance with the Agreement.
16. In providing the Services under this Agreement it is expressly agreed that the Contractor is acting as an independent contractor and not as an employee. The Contractor and the Client acknowledge that this Agreement does not create a partnership or joint venture between them and is exclusively a contract for service.
17. If work is stopped due to any of the above reasons (or for any other material breach of contract by Owner) for a period of 14 days, and the Owner has failed to take significant steps to cure his default, then Contractor may, without prejudicing any other remedies Contractor may have, give written notice of termination of the Agreement to Owner and demand payment for all completed work and materials ordered through the date of work stoppage, and any other reasonable loss sustained by Contractor, including Contractor's Profit and Overhead at the rate of 20% on the balance of the incomplete work under the Agreement. Thereafter, Contractor is relieved from all other contractual duties, including all Punch List and warranty work.
18. After the workmanship warranty period has ended, and / or the project has been successfully closed, with no open balances and we are required to return to make any sort of correction there is a \$500.00 minimum fee per day payable prior to sending a crew to work.
19. Contractor will help to obtain all necessary permits and licenses at an additional cost prior to start any work.
20. If client has already obtained all permits and licenses must provide the contractor with a hard copy of it, plus all the specifications approved by the County and Landlord. Fail to do so, the contractor will not initiate or perform any work until the above is provided.
21. The client has 24 hours after the project has been completed to report any quality claims, after 24 hours, any quality claim will be evaluated by contractor, and resolution will be at the contractor's discretion.
22. Under no circumstances the above mentioned should be a waiver or reason to stop payment to the contractor.

#### **DEPOSIT TERMS AND CONDITIONS**

1. Once a deposit amount is paid and/or the project has been scheduled, the project and/or service will be considered as in progress.
2. If client cancel the launch of their project due to unforeseen situations, lack of materials or any other reason and request a refund of their deposit there an administrative fee will be charge as follows:
  - 4.1 25% If request is notified in writing after 3 days of this agreement become in effect.
  - 4.2 35% If request is notified in writing after 30 days of this agreement coming into effect.
  - 4.3 45% If request is notified in writing after 60 days of this agreement become in effect.
  - 4.4 55% If request is notified in writing after 90 days of this agreement become in effect.
3. If client wishes to terminate this Agreement prior to the completion of the Services, that Party will be required to provide 10 days' written notice to the other Party.
4. The contractor has the right to stop the project without prior notice due to frustration, convenience, or determination.
5. If a client fails to provide written notification as stated in contract clause 28, the contractor has the right to process the payment of the due balance to the original payment method or request client to immediately submit payment for the due balance.
6. If Client ends the service contract prior the job is completed, there will be NO partial or full refund on the paid amounts.
7. If deposit was paid using a debit or credit card and a request of refund is filed, a 3% for Credit Card Processing will be deducted from deposit in addition to clause #4

#### **COMPENSATION TERMS AND CONDITIONS**

1. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in USD (US Dollars).
2. A deposit of 50% (the "Deposit") is payable by the Client upon execution of this Agreement.
3. For projects which total value is equal to or above \$ 5,000, the payment schedule will be.
  - 3.1 An initial deposit (see Contract Clause 2),
  - 3.2 A second payment equals 40% of the remaining balance when a project reaches a progress of 50% of completion.
  - 3.3 Remaining balance due at completion.
4. For the remaining amount, the Client will be invoiced when the Services are complete.
5. There is a \$50.00 Processing fee for any returned or Canceled checks. **(Non- Negotiable)**
6. Invoices submitted by the Contractor to the Client are due upon receipt. **(Non- Negotiable)**
7. **The client will not retain more than 3% of the total payment** of this contract if there is any punch list or claim after the job is completed, doing so, will lead to pursue legal actions against the client.
8. The contractor will contact client on the same day or following day to collect payment, if no response is received, contractor will attempt contacting by phone, text message and/or email address.
9. After 3 attempts to contact client through the communication methods mentioned in contract clause 36, contractor has the right to process payment with the payment method on file or used previously plus the late fee charge.
10. The Contractor will be reimbursed for any expenses incurred in connection with providing the Services of this Agreement. **(Non- Negotiable)**



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11. If client stops a check payment or Dispute a Credit Card transaction, without contacting the contractor and without giving the opportunity to resolve any valid and sustainable claim, and project or service has been totally complete will lead to pursue legal actions and GENERAL TERMS AND CONDITIONS CLAUSE #1 will immediately be enforced.
12. Interest payable on any overdue amounts under this Agreement is charged at a rate of 25.00% per annum or at the maximum rate enforceable under applicable legislation, whichever is lower.
13. Under no circumstances there is a waiver or release for the customer not paying for the services already received. **(Non-Negotiable)**

#### SCOPE OF WORK TERMS AND CONDITIONS

1. This home improvement contract is based on observations made during the Contractor's initial walk-through of the property. While every effort is made to provide complete and accurate pricing up-front, unforeseen conditions could lead to unexpected costs.
2. The schedule will be made upon the availability of the contractor's schedule, at the very first available opening on the contractor's schedule.
3. This Agreement is based solely on the observations of the Contractor - Owner was able to make with the project in its condition at the time the work of this Agreement was bid. If additional concealed conditions are discovered once work has commenced or after this Agreement is executed which were not visible at the time this Agreement was bid, Contractor will point out these concealed conditions to Owner, and these concealed conditions will be treated as Additional Work under this Agreement.
4. Contractor and Owner may execute a Change Order for this Additional Work. Contractor is released, held harmless, and indemnified by Owner from all pre-existing mold, fungus, mildew, and organic pathogen problems and is not responsible for costs or damages associated with correcting, containing, testing, or remediating.
5. Any changes in materials, scope of work, designs, installation patterns, etc. that differs from the original estimate will not be permitted without the approval of the contractor, doing so without previously discussed, Contractor has the right to stop the project until a new estimate is done, and the new charges are informed to the customer. Under these circumstances, the contractor will NOT be liable for any delays or interruptions of the project.
6. Any additional work or modifications to the work listed in the attached scope of work shall require a change order. A change order is a formal document listing the materials and labor required for services not listed in the original home improvement contract and must be signed by both the Homeowner and Contractor. Such extra **shall be paid for at the time the change order is completed** unless otherwise agreed to by the parties.
7. The Contractor has the right to choose the most appropriate materials to perform the service, in accordance to maintain quality and safety as priority.
8. The homeowner agrees to be held fully responsible for increased costs due to mold, insects, building code violations, or other discoveries which were not visible in the initial walk-through.
9. When multiple accepted estimates are to be performed on the same property, payments must be submitted at the time the scope of work of an estimate is completed and multiple accepted estimates are considered separate from the rest of accepted estimates.
10. Contractor shall not be obligated as part of the original scope of work to perform any work to correct damage caused by termites or other insects, moisture, mold, dry wood, rot or decay wood or other material and any work to be performed to correct such damage shall be covered by a change order.
11. If any pretreatment for termites or other insects is required, it will be at Owner's expense.
12. If such conditions are discovered by the Contractor during the project, the Contractor shall issue a change order for Homeowner's approval. No further work will be performed until Homeowner and Contractor agree on a reasonable means of addressing these unforeseen issues.
13. Contractor calls attention to the Owner to the limitations of matching building materials (included by not limited to plaster, drywall, stucco, flooring, tiles, concrete, masonry, siding, and roofing materials). While the Contractor shall make every effort to match new and existing materials, texture, colors, stains, finishes, and planes, exact duplication is not promised. The contractor shall have the right to substitute materials of similar quality, pattern, and design if unable to obtain the exact matching materials.
14. Contractor shall not be responsible for damage caused during the demolition phase of the project, contractor agrees to make reasonable efforts to prevent disturbance or damage to the property or surrounding areas.
15. Once Job is completed upon the client's original scope of work, client agree to sign the closing documents and will not pursue any additional requests upon the completed job or pursue any legal action against Medrano Brothers Inc. DBA MB Services
16. Except as otherwise provided in this Agreement, the Contractor will have full control over working time, methods, and decision making in relation to provision of the Services in accordance with the Agreement. The Contractor will work autonomously and not at the direction of the Client. However, the Contractor will be responsive to the reasonable needs and concerns of the Client.
17. Contractor shall have the right to stop all work on the project and keep the job idle if payments are not made to Contractor strictly in accordance with the Payment Schedule in this Agreement, or if Owner repeatedly fails or refuses to furnish Contractor with access to the job site and/or product selections or information necessary for the advancement of Contractor's work. Simultaneous with stopping work on the project, the Contractor must give Owner written notice of the nature of Owner's material breach of this Agreement and must also give the Owner a 14- day period in which to cure this breach of contract.
18. Contractor will do their best effort to clean after the completion of a project, nevertheless due to the nature of our services (Construction, Remodeling, and renovation), it is not a professional cleaning, client should be aware that additional cleaning could be necessary after contractor completes the project or service.



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#### **START, COMPLETION OR DELAYS TERMS AND CONDITIONS**

All starting and completion dates are approximate and subject to delays caused by circumstances and conditions beyond Contractor's control including:

1. Events Beyond the Contractor's Control. The Customer agrees that if the Contractor is unable to complete the Services by the Completion Date because of reasons that were not caused by the Contractor (i.e., availability of necessary supplies, materials, etc.) or because of events beyond the Contractor's control (such as labor issues, fire, flood, acts of God, vandalism, etc.),
2. The Contractor will not be deemed to have breached this Contract and the time for the Contractor to complete the Services will be extended by the amount of time reasonably necessary for the Contractor to complete the Services and at a schedule agreeable to the Parties. The time for the Customer to pay the Contractor for the Services will be extended in the same way.
3. We shall not be responsible for damage or delay due to strikes, fires, accidents, or other causes beyond our control. We shall not be responsible for damages due to delay of any type from any cause. Should conditions render unavailable, at reasonable cost, any material or product required in this agreement, we may, at our discretion, supply a substitute of suitable value and utility or terminate our obligation hereunder upon notification to the buyer.
4. Work to begin within 30 days after deposit is paid and substantially completed within 120 days after approval. not including delays and adjustments for delays caused by holidays; inclement weather; accidents; shortage of labor or materials; additional time required for Change Order and additional work; delays caused by Owner, Owner's design professionals, agents, and separate contractors; and other delays unavoidable or beyond the control of the Contractor.
5. If Client reschedules or delays their project, it is understood that the project will be move to the end of the projects queue.
6. In reference to the above or any other situation we cannot be held responsible for any reimbursement, discount, or any other type of compensation to you.
7. The contractor has the right to place a debris collection dumpster at the customer property to dispose of materials or debris related to the scope of work, the customer has NO right to use the dumpster for personal purposes or to dispose of material not related to the project. Doing so will lead to charging all additional fees incurred for the previously mentioned. (NO NEGOTIABLE)
8. Refusing to pay the additional fees mentioned above in clause #7 will result in further collection proceedings, including but not limited to collections, lien on the property, legal actions, etc.

#### **FURNISH OF MATERIALS TERMS AND CONDITIONS**

1. For projects where homeowner decides to provide all materials, Contractor will not be responsible for material quality, warranties, material failures, and for any of the following:
  - 1.1 Contractor will not begin any project or provide labor until customer confirms all material is available at jobsite. If material is not available or insufficient to continue with the work, the contractor has the right to relocate their crews to other projects, and reschedule the continuation of the project, representing no liability against the contractor.
  - 1.2 If for any reason the contractor is entitled to provide any material to avoid project delays, there is a 30% fee over all receipts for purchased materials.
2. When client is providing all materials and/or contractor's estimate is just for labor, and contractor is delayed due to the lack of material, Job area not ready for contractor to begin working, delays caused by other contractors working on the same project, materials not available at job site, etc. There is a \$800 charge per day to be added to the original estimate amount.
3. Clause #2 will be in no effect when Contractor is providing all materials and labor for the project. To make this statement valid estimate should have the statement "**Quote includes Materials and Labor**".
4. **No warranty is provided by Contractor on any materials furnished by the Owner for installation.** No warranty is provided on any existing materials that are moved and/or reinstalled by the Contractor within the dwelling or the property (**including any warranty that existing/used materials will not be damaged during the removal and reinstallation process**). One year after substantial completion of the project, the Owner's sole remedy (for materials and labor) on all materials that are covered by a manufacturer's warranty is strictly with the manufacturer, not with the Contractor.
5. When performance of the contract involves re-use of owner's materials, such materials will be handled at owner's risk only.
6. Correction of failing materials, re-used materials under no circumstances will be considered as part of the original scope of work, and contractor should not be obligated to correct at no cost or be considered a reason to delay or stop a payment.
7. The Contractor will install all materials included in the quote, and any left over will be delivered to the customer.
8. The contractor has the right to buy additional materials to ensure that there will be no delays on the project, the contractor is the owner of any additional materials purchased for the project and will not be obligated to deliver them to the customer, unless a selling agreement is in place.
9. The contractor has the right to take away from the customer's property any additional materials that we not part of the quote and were bought for the sole purpose of what is state in clause #7.



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#### **PUNCH LIST TERMS AND CONDITIONS OF AGREEMENT**

1. It is understood by punch list, items that need minor fixes, correction, improvement or repair on a specific item or area, but not of the entire scope of work. If there is a need for a punch list, it must be agreed before the completion of the project and must be reasonable directly related to the job performed, and under no circumstances be used with the sole purpose of requesting discounts or additional work at no cost.
2. If the client commits any abuse of the purpose of the punch list, or seeks deliberated discounts, additional work at no cost, or the nonpayment of any remaining balance, the contractor has the right to mark the project as completed and request the immediate full payment of the 5% retention (CLAUSE # 7 COMPENSATION TERMS AND CONDITIONS), doing so, will lead to pursue legal actions against the client.

#### **LEGAL DISCLAIMER TO LABOR RELATED TERMS**

1. Except as otherwise provided in this Agreement, the Contractor may, at the Contractor's absolute discretion, engage a third-party sub-contractor to perform some or all the obligations of the Contractor under this Agreement and the Client will not hire or engage any third parties to assist with the provision of the Services.
2. If the Contractor hires a sub-contractor:
  - a. The Contractor will pay the sub-contractor for its services and the Compensation will remain payable by the Client to the Contractor.
  - b. For the purposes of the indemnification clause of this Agreement, the sub-contractor is an agent of the Contractor.
  - c. The Client under no circumstances may directly hire a sub-contractor that is an agent of the contractor, nor terminate this agreement before its competition to hire a sub-contractor and performed the services under this agreement, doing so will lead to a legal action from the contractor against the client and sub-contractor.
3. The client must communicate directly with the contractor if there are questions or concerns during the project, under no circumstances the client should give directions, instructions, request changes to the scope of work, or any other communication to the contractor's employees or sub-contractors.
4. Workmanship, or Labor has a 30-day warranty, limited to remodeling services. Other services warranty varies.

#### **INSURANCE AND LIABILITY TERMS AND CONDITIONS OF AGREEMENT**

1. Homeowner agrees to provide Contractor's employees and subcontractors with reasonable access to the property where the home improvement project is taking place.
2. Homeowner agrees to maintain adequate insurance coverage for the property where the home improvement project is being performed. Homeowner agrees to provide a copy of the certificate of insurance for the property in question to the Contractor prior to the project's commencement if requested.
3. The contractor agrees to maintain workers' compensation and liability insurance and agrees to provide a copy of the certificate for that insurance to the Homeowner prior to the project's commencement.