



SOLAR PURCHASE DISCLOSURE

This disclosure is designed to help you understand the key terms of your purchase of a solar electric system ("System"). It is not a substitute for your purchase contract ("Contract"), loan or any other documents associated with this transaction. Information presented below is subject to the terms of your Contract.

Read all documents carefully so you fully understand the transaction.

For more information on becoming a smart solar consumer please visit www.seia.org/consumers.

Provider: Tesla, Inc.
Address: 3500 Deer Creek Road
Palo Alto, CA 94304
Tel.: 888-518-3752
License # (if applicable): [TECL 33769](#)
Email:
energycustomersupport@tesla.com

Installer: Tesla Energy Operations, Inc.
Address: 901 Page Avenue
Fremont, CA 94538
Tel.: 888-765-2489
State/County Contractor License #:
[TX TECL33536](#)
Email:
energycustomersupport@tesla.com

Customer: [Philip Raveling](#)
System Installation Address:
[4803 March Ave,](#)
[Dallas, TX 75209-3837](#)
Customer Mailing Address:
[4803 March Avenue,](#)
[Dallas, TX 75209](#)
Email: [REDACTED]
Contract Date: [4/27/2021](#)

Purchase Price

Your purchase price: [\\$25,472.69](#)

List of any credits, incentives or rebates included in the above purchase price: [\\$0.00](#)

***NOTE:** Not everyone is eligible for credits, incentives or rebates or can fully use them. Consult your tax professional or legal professional for further information.

Payment Schedule

Amount you owe Provider at Contract signing: [\\$0.00](#)

Amount you owe Provider at the commencement of installation: [\\$0.00](#)

Amount you owe Provider following building inspection: [\\$25,472.69](#)

Financing

Your system: [Financing of System is UNKNOWN to Provider](#)

NOTE: If your System is financed, carefully read any agreements and/or disclosure forms provided by your lender. **This statement does not contain the terms of your financing agreement.** If you have any questions about your financing arrangement, contact your finance provider and read all financing disclosures before signing a Contract.

Installation Timing

Approximate Start Date: 7-90 days from the date the Agreement is signed.

Approximate Completion Date: 7-90 days from the day installation begins.

Interconnection Approval

[PROVIDER](#) is responsible for submitting a System interconnection application.

Site & Design Assumptions for your Purchase

The estimated size of your System is: [12.24 kW DC](#)

Estimated gross annual electricity production in kilowatt-hours (kWh) from your System in Year 1: [15,645 kWh](#)

Estimated System Lifetime: [30 years](#)

Estimated annual electricity production decrease due to natural aging of the System: [0.5%](#)



System location on your property: [rooftop](#)

Connectivity: The System **WILL** be connected to the electric grid.

At the time of installation, your local utility **WILL** credit you for excess energy your System generates. The rules applying to such credit are set by your jurisdiction. **Your utility is offering new solar customers net energy metering or providing bill credit for electricity from the solar system. Your utility may alter their rates and policies associated with solar at any time, and you may have no recourse. Changes in net energy metering policy or changes in utility rates or rate structures during the life of the system may result in lower utility bill savings than estimated or none at all; Tesla Energy will not be responsible for reassessing the contract rate.**

System Maintenance & Repairs

System maintenance **IS** included for 20 years from the Installer. You are required to perform the following system maintenance:

- **Shade Management:** Shading on your solar display dramatically reduces electricity production. Keep trees or other tall plants trimmed to prevent shade on your system.
- **Panel Cleaning:** Cleaning your panels of debris can improve your system performance. Flushing the panels from the ground with a water hose can let more sunlight penetrate through the glass cover.

“System repairs” refers to actions needed to fix your System if it is malfunctioning. System repairs **ARE** provided by the Installer.

If System repairs **ARE** included, the coverage periods for each hardware component of your System (in years) are:

Solar Panels: [at least 12 years](#)

Inverter: [at least 10 years](#)

[Please check the Manufacturer’s warranty for the coverage period of other hardware components.](#)

If System repairs **ARE** included, the coverage periods for the labor/workmanship for each component of your System (in years) are:

Solar System: [20 years](#)

Please review your Contract for additional information about any warranties on the System installation and equipment. Note that equipment warranties for hardware are not required to include labor/workmanship. Your Provider may assign or subcontract any of its rights or obligations under this Agreement to any affiliate, successor, partner or purchaser. If such a transfer occurs, you will be notified if this will change the address or phone number to use for system maintenance or repair requests.

Roof Warranty

Your roof **IS** warranted against leaks from the system installation for the first 10 years by the Provider.

Performance or Production Guarantee

Provider is not providing you with a performance or production guarantee.

Taxes

You are responsible for property taxes on property you own. Consult a tax professional to understand any tax liability that may result from entering the Contract.

Utility and Electricity Usage/Savings Assumptions

You **HAVE NOT** been provided with a savings estimate based on your purchase.

If provided, the savings estimate was calculated based on: System size.

The savings estimate to you assumes the following:

Your system will last: [30 years](#)



It is important to understand that electricity rates are estimates only. Your actual current and future utility rates and utility rate increases may vary.

Provider **IS NOT** guaranteeing these savings.

Cooling Off Period/ Right to Cancel

In addition to any rights you have under state or local law, you **HAVE** the right to terminate this agreement without penalty within three (3) business days or within five (5) business days (for CA Customers only) of

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by notifying Provider in writing at the above address.

SEIA Solar Business Code

Provider **DOES** abide by and agrees to be bound by SEIA's Solar Business Code and its complaint resolution process.

For more information about the SEIA Solar Business Code and complaint resolution process, please visit

<http://www.seia.org/consumers>

Additional Disclosures or Terms

Customer's Initials here P R



Tesla Energy Products Purchase & Home Improvement Agreement

This "Agreement" is between you and the Tesla entity ("Tesla", "we" "us" or "our") identified below. It consists of (1) the below Price Sheet and (2) the attached terms & conditions, and is effective on the date you agree to this Agreement (by electronic acceptance, signature or e-mail) and shall supersede all prior existing agreements between you and Tesla for the Tesla Energy Products described below.

Price Sheet

Your information

Philip Raveling
4803 March Ave
Dallas, TX 75209-3837
7035319639

Tesla entity / Provider

Tesla, Inc. of 3500 Deer Creek Road, Palo Alto, CA, 94304
888-765-2489
TECL 33769

Installer

Tesla Energy Operations, Inc. of 901 Page Avenue, Fremont, CA 94538
TX TECL33536

Energy Products and Contract Price

Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed

Solar System	\$24,600.00
12.24 kW DC Solar Panels	\$5,904.00
Inverter(s) & Balance of System	\$3,444.00
Mounting Hardware	\$1,230.00
Installation, Permitting, and Other Fees	\$14,022.00

System Price	\$24,600.00
Taxes	\$872.69
Contract Price	\$25,472.69
Credit for Order Payment	(\$0.00)
Credit for Rebate Value	(\$0.00)
Amount Due	\$25,472.69

Customer's Initials: PR



Schedule of Payments

Paid at Order	\$0.00
Due Within Five (5) Days of Inspection	\$25,472.69

The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment.

IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT.

The pricing in this Agreement is valid for 30 days after 4/27/2021. If you don't sign this Agreement and return it to us on or prior to 30 days after 4/27/2021, Tesla reserves the right to reject this Agreement unless you agree to our then current pricing.

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day or fifth business day (CA Customers only) after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

If you are financing your System through one of our financing partners, the timing and amount of your payments (and any applicable interest accrued) will be subject to the terms and conditions of your agreement with your financier. If your financier fails to make payment on your behalf, or your financing is terminated by you or your financier, you will remain obligated to make payment under the terms of this Agreement.

Estimated First Year Production (not guaranteed)

15,645 kWh

Approximate Installation Start Date

7-90 days from contract signing

Approximate Completion Date

7-90 days from the day installation begins

Signed by

Your signature

Philip Raveling

Name: Philip Raveling

Date: 4/28/2021 12:48:43 PM +00:00

Tesla, Inc.

Name: Yaron Klein

Title: VP, Financial Services & Treasurer



You are entitled to a completely filled in copy of this Agreement, signed by both you and Tesla, before any work may be started.



Energy Products Purchase & Home Improvement Agreement Terms & Conditions

- Purchase.** You agree to purchase the products described in your Price Sheet (“Products”). We agree to sell you the Products and install them at the address identified in your Price Sheet. References to specific products (Solar System and Powerwall, each as included and defined in your Price Sheet) only apply if you are purchasing those products.
- Contract Price.** Your Price Sheet shows the price of your Products and their installation (“Contract Price”). The Contract Price is inclusive of all taxes and permitting fees. Any rebate and incentive amounts listed on the Price Sheet are estimates. Tesla does not guarantee these amounts or your eligibility for any rebates or incentives.
- Changes to Price Sheet.** We will update the Price Sheet if we are required to change any details due to unforeseen circumstances, including the unavailability or change in value of any incentive payable to Tesla, which Tesla assumed in setting the Contract Price. If any of these changes negatively impact you (e.g., your Contract Price increases or your Solar System size or output decreases), we will give you the opportunity to accept or reject the updated Price Sheet prior to installation of your Products. If you accept that updated Price Sheet, it will supersede this Agreement. If you do not accept that updated Price Sheet, this Agreement will terminate and we will refund your Order Payment (unless the change was at your request). Due to inventory availability, we may choose to increase your solar energy system size by up to 10% at no additional cost to you and without a change to the Price Sheet.
- Installation; Service.** We will contact you to schedule installation of your Products. Installation will be performed by us, our affiliate or subcontractor. You authorize us, our affiliate or subcontractor to submit on your behalf any permit or interconnection application that is required for your Products. You also agree to give us, our affiliate or subcontractor access to the installation location as scheduled so we can install and service your Products. You are responsible for all existing property conditions at the installation location, whether known or unknown. Unless otherwise provided for in your Price Sheet, gutter replacement is not included in your installation.
- Payment.** By entering into this Agreement, you agree to pay the Contract Price as described in the Price Sheet. We may provide you combined or separate invoices for each of your Products. Title to your products will transfer to you after we complete installation and we receive payment in full of the Contract Price.
- Cancellation.** In some locations, you have the right to cancel this Agreement for a limited period of time after this Agreement becomes effective and claim reimbursement of your Order Payment. If you have this right, it will be described in Exhibit 1.
- Order Payment.** The Order Payment (if any) that you previously paid for your Products is now non-refundable, except in the circumstances described above. When this Agreement becomes effective, we incur significant costs preparing to install your Products. The Order Payment is a reasonable estimate of the damages we would incur if you cancel your order before your Products are installed.
- Home Owner’s Association.** If your home is governed by a home owner’s association or similar community organization, you agree to obtain all approvals and authorizations for the System required by that organization and advise us of any requirements of that organization that will otherwise impact the System, its installation or operation.
- Privacy.** The [Tesla Customer Privacy Policy](#) is part of this Agreement. You agree to be contacted at the phone number listed in the Price Sheet with more information or offers about Tesla products. You understand these calls or texts may use automated dialing or pre-recorded messages. This consent is not a condition of purchase. You may opt out of this consent at any time by contacting us at 888-765-2489.
- Intellectual Property.** We own all intellectual property rights associated with your Products. We grant you a non-exclusive license to use any imbedded software in connection with the operation of your Products only.
- Remote Monitoring and Firmware Upgrades.** You agree that Tesla may access your Products remotely to monitor performance, perform diagnostics and upgrade firmware. This monitoring requires a high speed internet line (provided at your cost) to operate. If you do not maintain this internet connection your monitoring will not function.



12. **Maintenance & Operation.** We will provide you with an initial copy of the Owner’s Manual(s) for your Products (which may be updated from time to time, the “[Owner’s Manuals](#)”). The Owner’s Manuals provide operation and maintenance instructions, answers to frequently asked questions, troubleshooting tips and service information. You must maintain and operate your Products in accordance with the instructions in the Owner’s Manuals.

13. **Limited Warranties.** Your Products and installation work are covered by the following limited warranties. **THESE ARE THE ONLY EXPRESS WARRANTIES MADE IN CONNECTION WITH YOUR PRODUCTS AND INSTALLATION WORK. Any other warranties, remedies and conditions, whether oral, written, statutory, express or implied (including any warranties of merchantability and fitness for purpose, and any warranties against latent or hidden defects) are expressly disclaimed. If such warranties cannot be disclaimed, Tesla limits the duration of and remedies for such warranties to the durations and remedies described below.**

Solar panels	Your solar panels are covered by a warranty from their manufacturer. This warranty will be at least 12 years for workmanship and will guarantee at least 80% of nameplate power capacity for at least 25 years. This warranty will be transferred to you automatically when you pay the Contract Price. At your request we will make any claim under this warranty on your behalf and perform any related labor at our cost.
Inverter	Your inverter is covered by a warranty from its manufacturer. This warranty will cover defects for at least 10 years, and will be transferred to you automatically when you pay the Contract Price. At your request we will make any claim under this warranty on your behalf and perform any related labor at our cost. If you need to replace your inverter after this warranty expires, please contact us and we will help you obtain and install a replacement, both at your cost.
Powerwall	Your Powerwall is covered by the Tesla Powerwall Limited Warranty . The Tesla Powerwall Limited Warranty includes the arbitration provision contained in Section 18 below. By approving this Agreement, you accept the terms of the Tesla Powerwall Limited Warranty.
Workmanship	We warrant that (a) our installation workmanship will be free from defects for 20 years from the date your Products are installed (or, in the case of main panel or structural upgrades, 1 year from the date those upgrades were performed); (b) our installation workmanship will not invalidate the manufacturer’s warranty for your solar panels or inverter, or the Tesla Powerwall Limited Warranty; (c) all roof penetrations we make will be watertight for the longer of 10 years or until the end of any existing installation warranty or new home builder performance standard for your roof; and (d) we will not damage your property during our installation of your Products. If we breach this warranty, we will repair the defective work, roof penetration or damage at our cost. If we can’t do this ourselves, we will pay for someone else to do it. This shall not extend the original warranty period, but the remainder of the original warranty period shall apply to the repair work.

14. **Warranty Exclusions.** The “Workmanship” warranty above does not cover any defect caused by (1) events beyond our reasonable control, including but not limited to lightning, flood, earthquake, fire, excessive wind and other extreme weather events, accidents, abuse, misuse or negligence; (2) your failure to operate or maintain your Products in accordance with the applicable Owner’s Manual(s); (3) strikes by balls or other objects, dirt, dust, bird excrement, animals, insects, foliage or algae growth; (4) roof leaks caused by ordinary wear and tear, or water entering around a fitting, accessory or other material not installed by Tesla; (5) any material or equipment connected to your Products that was not installed by us; or (6) someone other than Tesla installing, altering, removing, re-installing or repairing any part of your system unless that person does so in compliance with the Owner’s Manual(s). The “Workmanship” warranty also does not cover (i) any defects in the equipment or components incorporated into our work (such as breakers, electrical panels, soft-start devices for HVAC equipment, etc.); (ii) pre-existing conditions at your home, including but not limited to unpermitted conditions, improper electrical wiring, defects in the roof structure that cause it to sag over time, chimney or exhaust vent heights that are reduced by your Solar System, cracked or crumbling masonry, or inadequate attic ventilation; (iii) normal wear and tear or deterioration, or superficial defects, dents or marks that do not impact the performance or functionality/integrity of your Products; or (iv) theft or vandalism. The warranties for “Solar panels”, “Inverter” and “Powerwall” above are not subject to the above exclusions, but are subject to other exclusions which are described in the relevant warranty document.



15. **Limitation of Liability.** We are not liable to you for any indirect, special or consequential damages arising out of this Agreement. To the extent permitted by law, our aggregate liability to you under this Agreement (or any grid services program involving the System and any other equipment furnished by Tesla) is limited to the Contract Price. These limitations apply to any liability arising out of any site survey performed by us or our affiliate or subcontractor in connection with this Agreement.

16. **Breach; Remedies.** If you are in breach of this Agreement, upon seven (7) days prior written notice, Tesla may pursue any remedy it has under this Agreement or at law, including termination, suspension of performance, repossession of the Products (if title has not yet transferred) and collection of all amounts due (including those past due, which will be charged 2% interest per annum).

17. **Notices.** You can find applicable lien notices, certain warnings required by law, and details of our insurance in Exhibit 2.

18. **Governing Law; Integration.** This Agreement is governed by the laws of the State where your Products are installed. The information at the links described above is part of this Agreement. Any other terms relating to your Products that are not contained or referred to in this Agreement are not binding on us or you.

19. **Agreement to Arbitrate.** Please carefully read this provision, which applies to any dispute between you and Tesla, Inc. and its affiliates (together "Tesla").

If you have a concern or dispute, please send a written notice describing it and your desired resolution to resolutions@tesla.com.

If not resolved within 60 days, you agree that any dispute arising out of or relating to any aspect of the relationship between you and Tesla will not be decided by a judge or jury but instead by a single arbitrator in an arbitration administered by the American Arbitration Association (AAA) under its Consumer Arbitration Rules. This includes claims arising before this Agreement, such as claims related to statements about our products.

We will pay all AAA fees for any arbitration, which will be held in the city or county of your residence. To learn more about the Rules and how to begin an arbitration, you may call any AAA office or go to www.adr.org.

The arbitrator may only resolve disputes between you and Tesla and may not consolidate claims without the consent of all parties. The arbitrator cannot hear class or representative claims or requests for relief on behalf of others purchasing or leasing Tesla products. In other words, you and Tesla may bring claims against the other only in your or its individual capacity and not as a plaintiff or class member in any class or representative action. If a court or arbitrator decides that any part of this agreement to arbitrate cannot be enforced as to a particular claim for relief or remedy (such as injunctive or declaratory relief), then that claim or remedy (and only that claim or remedy) shall be severed and must be brought in court and any other claims must be arbitrated.

If you prefer, you may instead take an individual dispute to small claims court.

You may opt out of arbitration within 30 days after signing this Agreement by sending a letter to: Tesla, Inc.; P.O. Box 15430; Fremont, CA 94539-7970, stating your name, product, and intent to opt out of the arbitration provision. If you do not opt out, this agreement to arbitrate overrides any different arbitration agreement between us, including any arbitration agreement in a lease or finance contract.



Exhibit 1
Cancellation Rights

(TESLA, INC. COPY)

NOTICE OF CANCELLATION
STATUTORILY-REQUIRED LANGUAGE
Notice of Cancellation

Date of Transaction: 4/28/2021 12:48:43 PM +00:00

You may **CANCEL** this transaction, without any penalty or obligation, within **THREE BUSINESS DAYS OR FIVE BUSINESS DAYS (CA CUSTOMERS ONLY)** from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within **TEN DAYS** following receipt by the seller (Tesla, Inc.) of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller (Tesla, Inc.) at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller (Tesla, Inc.) regarding the return shipment of the goods at the seller's (Tesla, Inc.'s) expense and risk. If you do make the goods available to the seller (Tesla, Inc.) and the seller (Tesla, Inc.) does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller (Tesla, Inc.), or if you agree to return the goods to the seller (Tesla, Inc.) and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to Tesla, Inc., Document Receiving, 6569 Las Vegas Blvd. S., Unit 200, Las Vegas, NV 89119 **NO LATER THAN MIDNIGHT** of the date that is **THREE BUSINESS DAYS OR FIVE BUSINESS DAYS (CA CUSTOMERS ONLY)** from the date you signed the Agreement.

I, _____, hereby cancel this transaction on _____ [Date].

Customer's Signature:

Customer's Signature:



(CUSTOMER COPY)
NOTICE OF CANCELLATION
STATUTORILY-REQUIRED LANGUAGE
Notice of Cancellation

Date of Transaction: 4/28/2021 12:48:43 PM +00:00

You may CANCEL this transaction, without any penalty or obligation, within **THREE BUSINESS DAYS OR FIVE BUSINESS DAYS (CA CUSTOMERS ONLY)** from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within **TEN DAYS** following receipt by the seller (Tesla, Inc.) of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller (Tesla, Inc.) at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller (Tesla, Inc.) regarding the return shipment of the goods at the seller's (Tesla, Inc.'s) expense and risk. If you do make the goods available to the seller (Tesla, Inc.) and the seller (Tesla, Inc.) does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller (Tesla, Inc.), or if you agree to return the goods to the seller (Tesla, Inc.) and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to Tesla, Inc., Document Receiving, 6569 Las Vegas Blvd. S., Unit 200, Las Vegas, NV 89119 **NO LATER THAN MIDNIGHT** of the date that is **THREE BUSINESS DAYS OR FIVE BUSINESS DAYS (CA CUSTOMERS ONLY)** from the date you signed the Agreement.

I, _____, hereby cancel this transaction on _____ [Date].

Customer's Signature:

Customer's Signature:



Exhibit 2 NOTICES

Bonds. The owner or tenant has the right to require the contractor to have a performance and payment bond.

Extra Work and Change Orders. Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to commencement of any work covered by the new change order. You may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order. Extra work or a change order is not enforceable against you unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order: (i) the scope of the extra work or change, (ii) the cost to be added or subtracted from the contract; and (iii) the effect the order will have on the schedule of progress payments or the completion date. Notwithstanding this provision, the Contractor shall have the right to substitute System equipment without Customer's agreement, so long as that substitution adds no extra cost to the project and does not materially affect the System's performance. The Contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based on legal or equitable remedies designed to prevent unjust enrichment.

Insurance Tesla carries the following insurance applicable to the work being performed under this Agreement:

- Commercial General Liability Insurance (CGL). Tesla carries commercial general liability insurance with coverage amounts that meet or exceed those required by law.
- Workers' Compensation Insurance. Tesla carries workers' compensation insurance for all employees in compliance with law.



Additional Notices

Texas

DISCLOSURE STATEMENT REQUIRED FOR RESIDENTIAL CONSTRUCTION CONTRACT: CUSTOMER'S INITIALS ACKNOWLEDGING RECEIPT P R

KNOW YOUR RIGHTS AND RESPONSIBILITIES UNDER THE LAW. You are about to enter into a transaction to construct improvements to a residential property. Texas law requires your contractor to provide you with this brief overview of some of your rights, responsibilities, and risks in this transaction.

CONVEYANCE TO CONTRACTOR NOT REQUIRED. Your contractor may not require you to convey your real property to your contractor as a condition to the agreement for the construction of improvements on your property.

KNOW YOUR CONTRACTOR. Before you enter into your agreement for the construction of improvements to your real property, make sure that you have investigated your contractor. Obtain and verify references from other people who have used the contractor for the type and size of construction project on your property.

GET IT IN WRITING. Make sure that you have a written agreement with your contractor that includes: (1) a description of the work the contractor is to perform; (2) the required or estimated time for completion of the work; (3) the cost of the work or how the cost will be determined; and (4) the procedure and method of payment, including provisions for statutory retainage and conditions for final payment. If your contractor made a promise, warranty, or representation to you concerning the work the contractor is to perform, make sure that promise, warranty, or representation is specified in the written agreement. An oral promise that is not included in the written agreement may not be enforceable under Texas law.

READ BEFORE YOU SIGN. Do not sign any document before you have read and understood it. NEVER SIGN A DOCUMENT THAT INCLUDES AN UNTRUE STATEMENT. Take your time in reviewing documents. If you borrow money from a lender to pay for the improvements, you are entitled to have the loan closing documents furnished to you for review at least one business day before the closing. Do not waive this requirement unless a bona fide emergency or another good cause exists, and make sure you understand the documents before you sign them. If you fail to comply with the terms of the documents, you could lose your property. You are entitled to have your own attorney review any documents. If you have any question about the meaning of a document, consult an attorney.

GET A LIST OF SUBCONTRACTORS AND SUPPLIERS. Before construction commences, your contractor is required to provide you with a list of the subcontractors and suppliers the contractor intends to use on your project. Your contractor is required to supply updated information on any subcontractors and suppliers added after the list is provided. Your contractor is not required to supply this information if you sign a written waiver of your rights to receive this information.

MONITOR THE WORK. Lenders and governmental authorities may inspect the work in progress from time to time for their own purposes. These inspections are not intended as quality control inspections. Quality control is a matter for you and your contractor. To ensure that your home is being constructed in accordance with your wishes and specifications, you should inspect the work yourself or have your own independent inspector review the work in progress.

MONITOR PAYMENTS. If you use a lender, your lender is required to provide you with a periodic statement showing the money disbursed by the lender from the proceeds of your loan. Each time your contractor requests payment from you or your lender for work performed, your contractor is also required to furnish you with a disbursement statement that lists the name and address of each subcontractor or supplier that the contractor intends to pay from the requested funds. Review these statements and make sure that the money is being properly disbursed.

CLAIMS BY SUBCONTRACTORS AND SUPPLIERS. Under Texas law, if a subcontractor or supplier who furnishes labor or materials for the construction of improvements on your property is not paid, you may become liable and your property may be subject to a lien for the unpaid amount, even if you have not contracted directly with the subcontractor or supplier. To avoid liability, you should take the following actions:

- (1) If you receive a written notice from a subcontractor or supplier, you should withhold payment from your contractor for the amount of the claim stated in the notice until the dispute between your contractor and the subcontractor or supplier is resolved. If your lender is disbursing money directly to your contractor, you should immediately provide a copy of the notice to your lender and instruct the lender to withhold payment in the amount of the claim stated in the notice. If you continue to pay the contractor after receiving the written notice without



withholding the amount of the claim, you may be liable and your property may be subject to a lien for the amount you failed to withhold.

(2) During construction and for 30 days after final completion, termination, or abandonment of the contract by the contractor, you should withhold or cause your lender to withhold 10 percent of the amount of payments made for the work performed by your contractor. This is sometimes referred to as “statutory retainage.” If you choose not to withhold the 10 percent for at least 30 days after final completion, termination, or abandonment of the contract by the contractor and if a valid claim is timely made by a claimant and your contractor fails to pay the claim, you may be personally liable and your property may be subject to a lien up to the amount that you failed to withhold.

If a claim is not paid within a certain time period, the claimant is required to file a mechanic’s lien affidavit in the real property records in the county where the property is located. A mechanic’s lien affidavit is not a lien on your property, but the filing of the affidavit could result in a court imposing a lien on your property if the claimant is successful in litigation to enforce the lien claim.

SOME CLAIMS MAY NOT BE VALID. When you receive a written notice of a claim or when a mechanic’s lien affidavit is filed on your property, you should know your legal rights and responsibilities regarding the claim. Not all claims are valid. A notice of a claim by a subcontractor or supplier is required to be sent, and the mechanic’s lien affidavit is required to be filed, within strict time periods. The notice and the affidavit must contain certain information. All claimants may not fully comply with the legal requirements to collect on a claim. If you have paid the contractor in full before receiving a notice of a claim and have fully complied with the law regarding statutory retainage, you may not be liable for that claim. Accordingly, you should consult your attorney when you receive a written notice of a claim to determine the true extent of your liability or potential liability for that claim.

OBTAIN A LIEN RELEASE AND A BILLS-PAID AFFIDAVIT. When you receive a notice of claim, do not release withheld funds without obtaining a signed and notarized release of lien and claim from the claimant. You can also reduce the risk of having a claim filed by a subcontractor or supplier by requiring as a condition of each payment made by you or your lender that your contractor furnish you with an affidavit stating that all bills have been paid. Under Texas law, on final completion of the work and before final payment, the contractor is required to furnish you with an affidavit stating that all bills have been paid. If the contractor discloses any unpaid bill in the affidavit, you should withhold payment in the amount of the unpaid bill until you receive a waiver of lien or release from that subcontractor or supplier.

OBTAIN TITLE INSURANCE PROTECTION. You may be able to obtain a title insurance policy to insure that the title to your property and the existing improvements on your property are free from liens claimed by subcontractors and suppliers. If your policy is issued before the improvements are completed and covers the value of the improvements to be completed, you should obtain, on the completion of the improvements and as a condition of your final payment, a “completion of improvements” policy endorsement. This endorsement will protect your property from liens claimed by subcontractors and suppliers that may arise from the date the original title policy is issued to the date of the endorsement.

WAIVER OF THE LIST OF SUBCONTRACTORS AND SUPPLIERS: AN OWNER IS NOT REQUIRED TO WAIVE THE RIGHT GRANTED BY SECTION 53.256, PROPERTY CODE, TO RECEIVE FROM THE CONTRACTOR AN ORIGINAL OR UPDATED LIST OF SUBCONTRACTORS AND SUPPLIERS. BY SIGNING THIS DOCUMENT, I AGREE TO WAIVE MY RIGHT TO RECEIVE FROM THE CONTRACTOR AN ORIGINAL OR UPDATED LIST OF SUBCONTRACTORS AND SUPPLIERS. I UNDERSTAND AND ACKNOWLEDGE THAT, AFTER SIGNING THIS DOCUMENT, THIS WAIVER MAY NOT BE CANCELED AT A LATER DATE. I HAVE VOLUNTARILY CONSENTED TO THIS WAIVER.

TEXAS LIENS NOTICE:

If a subcontractor or supplier who furnishes materials or performs labor for construction of improvements on your property is not paid, your property may be subject to a lien for the unpaid amount if:

- (1) after receiving notice of the unpaid claim from the claimant, you fail to withhold payment to your contractor that is sufficient to cover the unpaid claim until the dispute is resolved; or
- (2) during construction and for 30 days after completion of construction, you fail to retain 10 percent of the contract price or 10 percent of the value of the work performed by your contractor.

If you have complied with the law regarding the 10 percent retainage and you have withheld payment to the contractor sufficient to cover any written notice of claim and have paid that amount, if any, to the claimant, any lien claim filed on your property by a subcontractor or supplier, other than a person who contracted directly with you, will not be a valid lien



on your property. In addition, except for the required 10 percent retainage, you are not liable to a subcontractor or supplier for any amount paid to your contractor before you received written notice of the claim.





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Certificate of Completion

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Philip Raveling

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