

**13.1
MOLD ADDENDUM AND INFORMATION SHEET**

CONTRACTOR'S NAME:
ADDRESS:
PHONE:
FAX:
E-MAIL:
LIC #:

DATE:

OWNER'S NAME:
ADDRESS:

PROJECT ADDRESS:

Dear _____ :

Mold and waterproofing concerns have become important issues to homeowners and contractors alike. This Contract Addendum is meant to educate, inform, and clarify the parties' rights and obligations concerning these important issues. In consideration of the mutual promises contained in the Construction Agreement, the parties agree as follows:

I. MOLD AND ITS CONSEQUENCES

Mold is a type of fungus that occurs naturally in the environment, and it is necessary for the natural decomposition of plant and other organic material. It spreads by means of microscopic spores borne on the wind and is found everywhere that life can be supported. Residential home construction is not, and cannot be, designed to exclude all mold spores. If the growing conditions are adequate, mold can grow in your home.

Mold may grow in the presence of several conditions. However, moisture is the only growth factor that can be controlled in a residential setting. By minimizing moisture, a homeowner can reduce or eliminate mold from most parts of the home.

Moisture in the home can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of home moisture. Good housekeeping practices and responsible home maintenance are essential to prevent or eliminate mold growth. If moisture is allowed to remain on a nutrient source, mold can develop within 24 to 48 hours.

Contractor Owner Owner

II. OWNER OBLIGATIONS

A. Owner agrees to avoid causing an elevated moisture content in, under, and around the home and take extreme caution to avoid and/or quickly clean up all known sources of elevated moisture in the home such as: plumbing leaks, appliance leakage, roof leaks, siding and flashing leaks, sprinkler overspray, and any and all other accidents and activities causing a high water and humidity content inside, under, and around the structure.

B. Within 24 hours or less of discovering a water leak related to a portion of the property still under warranty — regardless of whether the leak is sudden or slow — notify the Contractor by phone, fax, email, and in writing of the specific problem. Take immediate steps to shut off leaking water and/or contain the water leak so as to minimize water damage to the property. Once the emergency has been contained, notify your homeowner's insurance agent of the problem, especially if the Contractor does not respond within 24 hours of being notified of the leak and/or associated problems.

C. Periodically check areas susceptible to leaking such as under sink areas, shower, bathtub, and dishwasher/appliance areas for evidence of leaks and/or mold. Eradicate any and all typical household mold, mildew, and fungus immediately upon discovery by following manufacturer's recommended instructions on the product of Owner's choice. Maintain caulking and eliminate other possible sources of slow water leaks.

D. Contractor is released, held harmless, and indemnified by Owner for all damages, both personal injury and property damages, associated with pre-existing conditions not directly worked on by Contractor that contribute to a mold or water damage claim.

III. CONTRACTOR OBLIGATIONS

During Contractor's warranty period, Contractor will repair any leak or water intrusion and related real property damage caused by the sole and active negligence of the Contractor. If Contractor is out of town or unable to respond to a water leak, Owner agrees to take all reasonable steps listed in Section II above to mitigate the damages.

IV. ADDITIONAL PREVENTATIVE STEPS RECOMMENDED BY CONTRACTOR NOT INCLUDED IN THE CONSTRUCTION AGREEMENT BETWEEN OWNER AND CONTRACTOR

Contractor encourages Owner to hire this Contractor or a separate contractor to perform the following work, as required, and for Owner to monitor and maintain the home on a regular basis so as to avoid

Contractor

Owner

Owner

promoting conditions that encourage the growth of molds (Contractor and Owner must enter into a signed agreement for any of the work below that Owner would like Contractor to perform):

- A. Improve inadequate inside ventilation, and improve ventilation in inadequate and improperly vented attic spaces and sub-floor areas.
- B. Install a several-mil-thick plastic vapor barrier over soil in under-floor areas of the home.
- C. Keep humidity levels low. Install and use exhaust fans in all "wet" areas such as bathrooms, kitchens and laundry rooms, and vent clothes dryers to the outdoors.
- D. If moisture condenses on windows or other hard surfaces, raise the temperature indoors and maintain a low indoor relative humidity level.
- E. Make sure gutters and drain lines for roof water run off are present on the home and regularly cleaned in order to divert the roof water run off away from the foundation. Keep water away from foundations and maintain a minimum 2% finished grading slope away from foundations within 6 feet of the foundation.
- F. Check for signs of mold before bringing items into the home. Potted plants (roots and soil), furnishings, or stored clothing and bedding, as well as other household items, may contain mold. Should severe mold growth develop, call on the services of a qualified professional mold-remediation contractor.
- G. Make sure there is fresh air, adequate airflow, and heat in all rooms of the house that have a potential mold problem.
- H. Inspect for leaks on a regular basis. Immediately repair water leaks, floods and spills (or have the appropriate person do so) and immediately extract water from all areas that have been subjected to flooding.

IV. DISCLAIMER AND WAIVER

Whether or not you as an Owner experience mold growth depends largely on how you manage and maintain your home. Our responsibility as a Contractor must be limited to things that we can control. As explained in our written warranty, provided by separate instrument, we will repair or replace defects in our construction (defects defined as a failure to comply with reasonable standards of residential construction) for a period of ____ months following substantial completion of the project.

Owner and Contractor hereby agree that the Contractor under any circumstances will not be responsible for personal injury, consequential and incidental damages, special damages, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects related to any mold, mildew, organic pathogen, or similar type of claim

Contractor

Owner

Owner

brought by the Owner, Owner's agent, heirs, or successors in interest against the Contractor or any subcontractor or material supplier that contributed to the Owner's work of improvement.

V. EXISTING MOLD — CONCEALED SITE CONDITIONS

A. The Owner is advised that mold can grow and be present in concealed areas of the home, such as the interior of walls, beneath flooring, or above ceilings. The Contractor has made no analysis or verification of existing mold growth, and assumes no responsibility for such a determination. The Contractor shall not be responsible for the detection, containment, or remediation of any existing mold. Remodeling may involve both demolition and reconstruction. The Owner is advised that if existing mold is present in the home, the demolition process potentially could result in the release and dissemination of mold and mold spores to other areas of the house. The Contractor shall not be liable for any effects or possible damage caused by the release of existing mold in and around the home. The Owner waives all claims against the Contractor based, in whole or in part, on the release or spread of existing mold during the remodeling process, and will indemnify and hold the Contractor harmless from all legal claims in that regard.

B. In the event that the Contractor encounters what he reasonably believes to be existing mold within the home, the Contractor reserves the right to stop work and to remove his employees, equipment, and materials from the site. It shall be the sole responsibility of the homeowner to properly contain existing mold contamination and to properly conduct remediation of the existing mold by appropriate measures using qualified experts, as necessary. In the event that the Owner does not properly contain and/or conduct remediation of the existing mold to the satisfaction of the Contractor within a reasonable period of time (a reasonable period of time is determined to be _____ days), then the Contractor shall have the sole and exclusive option to cancel the contract in writing and be paid in full for all work performed through the date the work was stopped and for all stored materials, along with an amount equal to 5% of the contract amount which shall be compensation to contractor for his financial losses associated with not being able to continue on with the work and complete the job. This 5% payment shall be a liquidated damage under the contract due to the difficulty of determining Contractor's exact damages and is not a contract penalty for the Owner.

C. If the Contractor incurs additional costs due to the presence of pre-existing mold and/or is delayed due to the presence of or remediation of pre-existing mold and does not cancel the contract with the Owner, the

Contractor

Owner

Owner

Contractor shall be entitled to an equitable adjustment in the Contract Price and Contract Schedule in accordance with Contractor's losses and delays.

This Notice, Disclosure, and Disclaimer Agreement is hereby appended to and made a part of the Construction Agreement. The consideration for this Agreement shall be the same consideration as stated in this Contract. Should a court of competent jurisdiction rule any term or provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall nonetheless stand in full force and effect.

I have read, understand and agree to the terms and conditions contained in this addendum.

DATE CONTRACTOR'S SIGNATURE

DATE OWNER'S SIGNATURE

DATE OWNER'S SIGNATURE

Contractor Owner Owner