

## INSTALLATION AGREEMENT

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This Installation Agreement (“Agreement”) is between **Padaro Lane** (“Client”) and Inspiria Systems, Inc., dba “**AudioVisions**” (25741 Atlantic Ocean Dr., Lake Forest, CA 92630; Cal. Contr. Lic. C-7 #992228). The Contract is effective upon date of last signature (“Effective Date”).

AudioVisions will design, install, and integrate (collectively, “Services”) the audio, video and other electronic systems (collectively, “System”) specified in Padaro Lane/May 26, 2017 (“Proposal”). The System will be installed at Client’s property located at 3339 Padaro Ln, Carpinteria CA. Total cost for Services will be \$750,052.85, with payments pursuant to Schedule A. System-specific requirements are set forth in Schedule B. General terms and conditions are set forth below.

### General Terms and Conditions

1. *Services.* AudioVisions will perform the Services in a timely and professional manner, in compliance with applicable codes and regulations. Client to provide AudioVisions with a full set of plans (preferably in AutoCAD format), if available, showing applicable floors, reflected ceilings, elevations, electrical, and furniture layout. Before installation begins, work space must be clean, construction-free, accessible, and secure, with uninterrupted power supply. Unless covered by Proposal or Change Orders, the Services do not include patching or painting of walls, re-stretching of carpet, or other remedial work.

2. *Change Orders.* Changes to this Agreement will be confirmed through Change Orders issued by AudioVisions and signed by Client. Changes may include different specifications, new scope of Services, or other needs of Client. Change Orders will be required to address undisclosed, unforeseen, or uncontrollable circumstances, such as damage from other trades, or changes in availability or pricing of equipment.

3. *Returns.* Equipment removed by Change Orders is subject to a 15% restocking fee, assuming equipment is in original, packaged condition. Used, unpackaged, special-order, or customized equipment may not be returned or exchanged unless otherwise agreed.

4. *Invoicing.* Payment is due within 15 days of invoice. Prompt payment is required to ensure uninterrupted workflow. Past due invoices accrue interest at 1.5% per month. Upon satisfactory payment, AudioVisions will provide Client with releases from any applicable mechanic's lien claimant.

5. *Completion of Services.* AudioVisions will assign a project manager to oversee Services and communicate directly with Client (or Client's representative). The project manager will ensure Services are performed to AudioVisions standards and System functions as intended. AudioVisions will send Client a final invoice, indicating that the Services are complete or substantially complete ("Completion Notice"). Client will have two weeks from Completion Notice to present AudioVisions with a written "punch list" of items Client believes need correction. Upon AudioVisions' completion of punch list items, Client will make full and final payment to AudioVisions. Any other System issues will be handled as warranty items.

6. *User Manuals and Training.* Upon completion of Services, AudioVisions will provide Client with available manufacturer user manuals. AudioVisions will also provide Client (or Client's representative) an orientation up to two hours on the capabilities and functionality of the System. Additional trainings will be arranged on as needed, as agreed, basis.

7. *Warranty.* AudioVisions warrants for one year from Completion Notice that the Services comply with industry standards, equipment is free of defects, and the System works as intended. Excluded from warranty is loss due to misuse of the System. THIS PROVISION IS IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS.

8. *Liability Limitation.* For loss not covered by insurance, AudioVisions' aggregate liability to Client will not exceed the total labor component of the Agreement.

9. *Dispute Resolution.* Any unresolved dispute related to this Agreement will be submitted to binding arbitration in Orange County, California, within two years of Completion Notice. *The arbitration shall be administered by JAMS pursuant to its Engineering and Construction Arbitration Rules & Procedures For Expedited Arbitration.*

10. *Integration.* This Agreement, which includes the Proposal and attached Schedules, constitutes the entire, fully integrated agreement between the parties. The Agreement supersedes any prior and contemporaneous agreements in connection with this transaction.

11. *Assignment and Delegation.* This Agreement is not assignable nor is the performance of the duties delegable by either party without the prior written consent of the other party.

12. *Binding Effect.* This Agreement inures to the benefit of, and will be binding upon, the parties and their respective successors.

13. *Force Majeure.* AudioVisions will not be liable for a failure or delay in performance due to unforeseen or undisclosed conditions, or events beyond its reasonable control. The parties will address such circumstances through Change Orders, if and when they arise.

14. *Waiver of Default.* No modification, amendment, or waiver will be effective unless in writing and signed by the party to be charged. One or more waivers of any right, obligation or default will not be construed as a waiver of any subsequent or other right, obligation or default.

15. *Enforceability of Agreement.* If a provision of this Agreement is found to be invalid or unenforceable, all other provisions will remain in full force and effect.

16. *Notice.* Written notices under this Agreement may be given in person or by e-Mail, U.S. Mail, or overnight courier to addresses designated by the parties.



*The parties signify their assent by signing below on the dates indicated.*

Padaro Lane

AUDIOVISIONS

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Mark Hoffenberg, CEO

Title:

Date:

Date:

### SCHEDULE A

#### Payment Terms

<u>Event</u>	<u>Invoice to occur upon:</u>	<u>Payment amount:</u>
Retainer & engineering deposit	Contract execution	\$21,625.00
Prewire deposit	40 days before prewire	\$113,230.00
Prewire	Prewire completion	\$70,871.00
Trim deposit	45 days before trimout	\$119,305.00
Trim	Trim completion	\$101,508.00
Finish equipment deposit	70 days before start of delivery	\$189,519.00
Finish equipment delivery	15 days before start of delivery	\$96,491.85
Final installation	Upon completion	\$37,503.00

## SCHEDULE B

### System Requirements

#### A. General Conditions

A1. *Power and External Services.* Client to supply necessary AC power for all devices and to arrange for externally sourced services (including radio, cable, HDTV, telephone, internet, AppleTV, iTunes, etc.), as well as applicable decoders and service panels. Quality and consistency of external signal depends on the outside vendor and is not within AudioVisions' control. Client to notify AudioVisions before wiring of any community or association restrictions on external features of the system, such as antennas or satellite dishes.

A2. *Framing and Cabinets.* Client to provide any associated framing or cabinetry, pursuant to AudioVisions' specifications, to accommodate equipment and wiring, and to allow for proper ventilation and system operation.

A3. *Cables.* Proposal includes all necessary connectors and interconnect-cables, with pricing based on estimated cable lengths. If different length cables are required, a Change Order will issue to reflect actual cable lengths and any price changes.

A4. *Networking.* Unless specified, the Proposal does not include network equipment. Nor does it include technical support for configuring computers or other devices to work properly over the network. Wireless access points, if specified, are estimated subject to onsite conditions and other variables outside AudioVisions' control. Client should address internet connectivity issues with the internet service provider.

A5. *Client-Supplied Equipment.* AudioVisions cannot guarantee the compatibility of client-supplied equipment. Change Orders may be necessary if extra work or interface devices are required to integrate client-supplied equipment with the installed system.

A6. *Non-Standard Features.* Integrating sophisticated electronics requires AudioVisions to balance functionality and ease of operation. To achieve this balance,

not every feature of individual electronic components will be used. Otherwise, remote operation of the equipment would be too complex for daily use. AudioVisions recommends connecting the equipment according to standards it has developed over years of testing and client feedback. Additional or non-standard features after installation of the system is subject to Change Order.

A7. *Standalone Subsystems.* Control Systems are generally intended to provide convenience for using various subsystems, such as lighting and shades, temperature, security, pool, garage door motors, and access. The subsystem must operate properly, independent of the control system, as problems with the subsystem could impact the controllers. Client's other contractors are to ensure subsystems are designed and installed correctly, and that the subsystems include the necessary interfaces to communicate with AudioVisions' controllers.

## **B. Lighting Control System (if applicable)**

B1. *Electrical Contractor.* AudioVisions will supply low voltage wiring to lighting control panels, keypads, switches, and dimmers. Client's electrical contractor to provide high voltage wiring and terminations, as well as a schedule of electrical loads. All wall receptacles, jam switches, fixtures, and other electrical equipment (excluding "smart" switches) not related to the lighting control system to be provided and installed by Client's electrical contractor.

B2. *Equipment, Colors, and Options.* Proposal covers listed equipment only. If additional equipment is needed (e.g., Client lighting design and specifications are incomplete), AudioVisions will issue necessary Change Orders. Similarly, Proposal covers Client's choice of standard colors provided by the manufacturer for various control devices. Custom colors or finishes are subject to additional charge.

B3. *Controllers.* Lighting control typically includes five presets in a room with a user interface. Large two-way panels may have 10 additional whole-project lighting presets. Shade control, if proposed, allows group up and down of shades.

B4. *Programming and Orientation.* Proposal includes light control system start-up and initial programming, as well as a personal orientation session on system operation and

capabilities. Programming beyond startup and system commissioning, or subsequent orientation, is subject to AudioVisions' current hourly rates.

**C. HVAC Control System (if applicable)**

C1. *Other Contractors.* AudioVisions will supply smart thermostats and low voltage wiring to communicate with control interfaces and remote temperature sensors. Client's mechanical, plumbing, electrical, or other contractors to provide HVAC equipment, proper placement of temperature sensors, and requisite ducting, plumbing, and wiring to HVAC equipment from thermostats.

C2. *Specialty Thermostats/Controllers.* Where Client's HVAC contractor has specified proprietary or specialty thermostats or controllers, the HVAC contractor will be responsible for commissioning the system. Client is to ensure the HVAC contractor provides suitable IP communication port (including hardware, software, and licensing), as well as appropriate documentation for AudioVisions to complete its portion of installation.



*The following notices are required by the California Contractors' State License Board*

Contractors are required by law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

*Information about the Contractors' State License Board (CSLB):*

CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

*For more information:*

Visit CSLB's Internet Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov)

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.