**WORK PROPOSAL AND AUTHORIZATION**

American Technologies, Inc. (the “Contractor”) makes the following work proposal (the “Proposal”) to **Ross Valley School District**.

**WORK:** Contractor will furnish all materials, equipment, subcontractors and perform all labor necessary to

Complete the following work: **Provide remediation pack out and drying services, storage and pack in**. **Provide construction services to the classrooms, admin, and library re: White Hill School flood of 12/2/12**

Contractor shall carry adequate commercial liability insurance and workers’ compensation insurance in the amount legally required, and will pay all federal and state taxes on the materials and labor included in the Work. Contractor shall be acting solely for the Client and not for Client’s insurer/adjuster.

**CONTRACT TIME:** If this Proposal is accepted on or before 12/5/12 the Work will be started by: 12/5/12and will be substantially completed by: 1/7/13. The Work will be performed as expeditiously as reasonably possible in a good and workmanlike manner. The Work will be considered substantially complete when all elements of the Work have been completed except for minor unfinished items that do not prevent Client’s beneficial use and legal occupancy of the jobsite. The above start date and completion date are estimates and are subject to delays caused by bad weather, fire, flood or other casualty, labor disputes, unusual delay in obtaining materials, changes ordered in the Work, concealed, unknown or unusual conditions or other causes beyond Contractor’s reasonable control.

**CONTRACT SUM:**

1. Authorize to commence Work with the understanding that all costs and terms will be in detail and submitted in writing to Client.

**PAYMENT TERMS**: Payment shall be made by single payment as the Work progresses according to thefollowing schedule:

**At completion**

The entire balance (if any) is due within 30 days after substantial completion. All deductible amounts not covered by insurance and all additional Work authorized in a change order must also be paid and are due upon acceptance of work.

**JUDICIAL REFERENCE:** If either party to this Agreement commences a lawsuit for a dispute arising outof or related to this Agreement, all of the issues in such action, whether of fact or law, shall be submitted to general judicial reference pursuant to California Code of Civil Procedure*,* Sections 638 and 641 through 645.1, inclusive, or any successor statutes thereto. The parties to this Agreement shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. The Parties shall share equally the fees and costs of the referee, unless the referee orders otherwise. The Parties shall bear their own attorneys’ fees.

The general referee shall have the authority to try all issues, whether of fact or law, and to report a statement of decision to the court. The parties shall use the procedures adopted by the Judicial Arbitration and Mediation Services (JAMS®) for judicial reference (or any other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the parties).

It is agreed that the following rules and procedures shall apply in all cases unless the parties agree otherwise and will control should there be any conflict with the rules of JAMS or any other entity offering judicial reference dispute resolution procedures:

1. The proceedings shall be heard in the County where the property is located;
2. The referee must be a neutral and impartial retired judge or a licensed attorney with substantial experience in the relevant areas of law;
3. Any dispute regarding the selection of the referee shall be resolved in accordance with provisions set forth in California Code of Civil Procedure, Section 640(b);
4. The referee may require one or more pre-hearing conferences;
5. The parties shall be entitled to discovery as provided by California law, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;
6. A stenographic record of the trial shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions or any appeal;
7. The referee’s statement of decision shall contain findings of fact and conclusions of law to the extent applicable; and
8. The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

The statement of decision of the referee upon all of the issues considered by the referee is binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee shall be appealable as if rendered by the court.

**LIMITATION OF LIABILITY**: In no event shall contractor be responsible for indirect economic orconsequential damages.

**CLIENT’S RIGHT TO CANCEL. Client may cancel this Proposal, and receive a refund of any funds Client has deposited for any work Contractor has not yet done until midnight of the third (3rd) calendar day after the day on which Client accepts this Proposal (the “Client Cancellation Deadline”), by delivering written notice of such cancellation to Contractor on or before the Client Cancellation Deadline. If Client does not deliver the cancellation notice by the Client Cancellation Deadline, Client shall be conclusively deemed to have waived Client’s cancellation right under this paragraph.**

**DISPUTES: All disputes involving claims of $5,000 or less shall be resolved in Small Claims Court in Marin County, California, unless the parties mutually agree otherwise.**

**PAYMENT SCHEDULE TERMS:** The following terms apply to the payment schedule:

1. If the payment schedule provides for a down payment before the Work begins, such down payment shall not exceed $1,000 or 10% of the Contract price, excluding finance changes, whichever is less.
2. In no event shall the payment schedule provide for Contractor to receive, nor shall Contractor actually receive, payment in excess of 100% of the value of the Work, excluding finance charges.
3. Contractor’s failure, without lawful excuse to substantially begin the Work within 20 days after the estimated Start Date, shall postpone the next succeeding payment to Contractor for the period of time equal to the period of delay in excess of 20 days after the estimated Start Date.
4. The terms specified in paragraphs 1-3 above, shall not apply when the Contractor has provided a performance and payment bond, lien and completion bond, bond equivalent, or joint control approved by

The Registrar of Contractors, or when the parties agree to full payment to be made upon, or for a schedule of payments to begin, after satisfactory completion of the Work.

5. Payments made under this Agreement shall be made within thirty (30) days after the submission of an invoice or other payment application.

6. Payments not made within thirty (30) day period stated above shall bear interest at the rate of 1% per month, until paid.

**LEGAL RIGHTS AND REQUIREMENTS:** Removal of hazardous materials, including asbestos, is subjectto additional legal requirements and is not a part of this Proposal. Client should inform Contractor if Client is aware of any asbestos or lead in any part of the jobsite (built before 1978). If the contract resulting from acceptance of this Proposal constitutes a home solicitation contract (Civil Code Section 1689.5), Client acknowledges that the Contract was initiated by Client or Client’s representative and that by accepting the Proposal (which includes the personal statement required by Civil Code Section 1689.13); Client is waiving any right to cancel under Section 1689.13.

**SEVERABILITY:** If any provision of this contract is held by a court of competent jurisdiction to be void orunenforceable, the remaining provisions of this contract shall remain in effect.

**CHANGE ORDERS:** A change order is an amendment to the contract signed by Client and Contractorthat authorizes a change in the Work or an adjustment in the Contract Sum or the Contract Time. Client or Contractor may request a change order for a change in the Work, but such change order shall not be effective or become a part of this contract until accepted and signed by Contractor and Client. Contractor is entitled to a change order for delays encountered in the Work not attributable to the Contractor, for concealed, unknown or unusual conditions, for work not reasonably foreseeable by Contractor, or for new or additional governmental requirements concerning or affecting the work, which become effective during the Contract Time.

**BONDS:** Client may require Contractor to obtain a performance and payment bond. If Client requests thatsuch a bond be provided, Client shall reimburse Contractor for the cost of the bond.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS’ STATE LICENSE BOARD. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS’ STATE LICENSE BOARD, 9821 BUSINESS PARK DRIVE, SACRAMENTO, CALIFORNIA, 95827; P.O. BOX 26000, SACRAMENTO, CA 95828.

**SUBMISSION AND ACCEPTANCE**

Respectfully submitted by Contractor:

American Technologies, Inc., a California Corporation, License No.: 571784

By: **Dan Ward**

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Its: **Manager**

HIS Registration #:

Client hereby accepts the foregoing Proposal. The Contractor is authorized to do the Work as indicated, and Client will pay for it in the time and manner specified.

**Accepted by Client:**

Name**: Eileen Rohan**

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: **110 Shaw Drive**

City: **San Anselmo, California 94960**

Phone: (**415**) 454-2162 Fax: (415) 454-6840