

GUARANTEE CERTIFICATE

COMPLETION SERVICES, INC.
221 North Hogan Street, # 234 | Jacksonville, Florida 32202

CERTIFICATE NO. DATE:

COMPLETION SERVICES, INC., will reimburse the below named Insurer for unpaid labor and material costs, unfinished work, or Warranty claims incurred under Insurance Restoration Contracts entered into by Paul Davis Restoration Franchisees in accordance with the terms and conditions set forth below.

INSURER (Name and address of Insurer who is entitled to the benefits of this Certificate):

NAME:

ADDRESS:

1. Definitions

- (a) "Certificate" means this Guarantee Certificate.
- (b) "CSI" means Completion Services, Inc., a corporation owned by the Franchisees of Paul Davis Restoration, Inc.
- (c) "Franchisees" mean those Persons operating under valid franchise agreements issued by Paul Davis Restoration, Inc.
- (d) "Franchisor" means Paul Davis Restoration, Inc.
- (e) "Fund" means the job completion and guarantee fund contributed by Franchisees and maintained by CSI to meet its obligations under this and similar Certificates.
- (f) "Improvements" mean the buildings, residences or other improved structures which are owned or leased by the Property Owner which are insured against loss or damage by the Insurer. The term Improvements does not include contents or personal property.
- (g) "Insurance Restoration Contracts" means written contracts entered into between Franchisees and Property Owners providing for the repair and restoration of Improvements insured by the Insurer.
- (h) "Insurer" means the above named insurance company that has issued a policy insuring Improvements described in an Insurance Restoration Contract.
- (i) "Person" means any person, firm, corporation, partnership or other entity.
- (j) "Property Owner" means the owner or lessee of Improvements which are insured against loss by the Insurer.
- (k) "Standard Costs" means the reasonable and customary costs which an Insurer would pay in the geographic area in which the Improvements are located, for services and material of substantially the same quality and workmanship as those to be furnished by Franchisee under an Insurance Restoration Contract covered by this Certificate. Costs does not include cost of adjusting losses, legal fees or additional living expenses.
- (l) "Warranty" means any express warranty contained in the Insurance Restoration Contract but does not include any implied warranties.

2. Reimbursement for Unpaid Bills

Upon receipt of proof satisfactory to CSI that laborers or material suppliers have not been paid for labor or material for which Franchisee has been paid in full under an Insurance Restoration Contract, CSI will reimburse Insurer for the Standard Cost of such unpaid bills.

3. Reimbursement for Unfinished Work

Upon receipt of proof satisfactory to CSI that Franchisee has failed to complete work for which Franchisee has been paid in full under an Insurance Restoration Contract, CSI will reimburse Insurer for the Standard Cost of such unfinished work.

4. Reimbursement for Warranty Repairs

Upon receipt of proof satisfactory to CSI that Franchisee has failed to provide repairs for a valid Warranty claim after having been notified of such claim, CSI will reimburse Insurer for the Standard Cost of such repairs.

5. Method of Payment

CSI, in its sole discretion, may make payments under paragraphs 2, 3 or 4 to Insurer, or directly to the unpaid laborers or material suppliers, Warranty service providers, or other Persons on behalf of Insurer and may condition such payments on receipt of completion certificates, waivers of claims, and releases of liens.

6. Limitations on Payments

Payments under this Certificate shall be strictly limited to unpaid bills specified in paragraph 2 above, unfinished work specified in paragraph 3 above, and Warranty repairs under paragraph 4 above which CSI, in good faith, determines to be due and owing to Insurer. Any amounts due and owing by Property Owner to Franchisee under the Insurance Restoration Contract shall be paid to CSI or may be offset by CSI against any amounts due under this Certificate.

Reservations

Payments under this Certificate shall be limited by the following restrictions and limitations:

- (a) Payments under this Certificate and all other Certificates issued by CSI shall be limited to the assets comprising the Fund and neither CSI, the Franchisor nor any Person affiliated with them shall have any personal liability hereunder.
- (b) This Certificate is for the sole and exclusive benefit of CSI and the Insurer and no other Person (including, without limitation, the Property Owner and unpaid laborers and material suppliers) shall acquire any rights hereunder.
- (c) This Certificate guarantees only the specific work identified in the Insurance Restoration Contract. CSI assumes no responsibility or liability to any Person for any personal injury or consequential damages including, without limitation, additional living expenses or additional loss or damage caused to a Property Owner's Improvements or contents due to the Franchisee's negligence or delay. CSI assumes no responsibility or liability to any Person for any claims, losses, damages, recoveries, punitive damages, or any other losses not specifically provided for under this Certificate.
- (d) Any type or form of fungus, mold or mildew, including any mycotoxins, spores, scents or byproducts, produced or released by any such form of fungus, mold or mildew, is expressly excluded from the guarantee provided by this Certificate, including any and all remediation associated with or necessitated by the presence of such fungus, mold, mildew, mycotoxins, spores, scents or byproducts.
- (e) The total liability of CSI under any one Insurance Restoration Contract covered by this Certificate shall be limited to fifty thousand dollars (\$50,000).
- (f) All claims made under this Certificate must in writing and received by CSI within one (1) year after the occurrence of the facts giving rise to the right of payment or performance.

8. Arbitration

Any controversy or dispute arising out of this Certificate or the payment or non-payment of any claim under this Certificate shall be settled by binding arbitration under the Commercial Arbitration rules of American Arbitration Association with a single arbitrator and shall be conducted in Jacksonville, Florida. Arbitration shall be the sole and exclusive way of settling all controversies and disputes related to this Certificate and no suit or proceeding of any nature shall be brought by any party in any court respecting any right, duty or obligation created by or under this Certificate.

9. Miscellaneous

The obligations of CSI herein shall automatically expire upon the exhaustion of the Fund or one year from the date of issuance of this Certificate. This Certificate shall not be modified or amended except by an Instrument in writing signed by CSI.

IN WITNESS WHEREOF, CSI has executed this Certificate as of the date specified above.

COMPLETION SERVICES, INC.



BY