

SUBCONTRACTOR AGREEMENT

Agreement made as of the _____ day of _____, 20____ Between, Renehan Building Group, Inc. with an office at 318 E King St, Malvern, Pa., 19355, the Contractor, hereinafter referred to as "RBG" or the "Contractor" and

_____ with an office at _____, the Subcontractor, hereinafter referred to as the "Subcontractor".
(Company Name) (Company Address)

This agreement is hereinafter referred to as the "Subcontract Agreement".

This Subcontract Agreement is entered in for the provision of Work Segment by the Subcontractor (as defined below) for a portion of RBG's construction of a house and/or other structure(s) (herein referred to as the "Project") pursuant to the project on a lot of land identified as _____ herein referred to as the "Lot."
(Project address)

TERMS AND CONDITIONS OF AGREEMENT

RBG and Subcontractor agree as follows:

ARTICLE 1: The Contract Documents.

The Contract Documents consist of this Subcontractor Agreement, the portion of the Plans and Specifications for the Building which relate to the Work Segment described below, and all Modifications issued after execution of this Subcontractor Agreement. A Modification is (1) a written amendment to the Subcontractor Agreement signed by both parties, (2) a Change Order to RBG's Building Contract with the Customer, and/or (3) a written interpretation of the Plans and Specifications issued by RBG. It is the sole responsibility of the subcontractor to ensure they have the most updated set of plans prior to commencing work.

ARTICLE 2: The Scope of the Work Segment.

Subcontractor shall furnish Labor and Materials for the following portion of the Plans and Specifications for the Project:

_____ and in accordance with the standards of
(Brief description of the work/service your company is providing. Ex: Rough & Final Electric, Excavation, Plumbing, etc)
the industry (hereinafter referred to as the "Work Segment").

ARTICLE 3: The Time of Commencement and Completion of the Work Segment.

Subcontractor shall be notified when the Project commences and shall be given by RBG at that time an estimated date for the commencement and completion of the Work Segment. RBG shall thereafter give Subcontractor 3 day(s) notice of the actual scheduled commencement and completion of the Work Segment. Subcontractor agrees to use its best efforts to meet all schedules thereby established and understands and acknowledges that RBG and other subcontractors will rely on Subcontractor's timely performance of the Work Segment.

ARTICLE 4: The Contract Sum.

The Subcontractor shall be paid the sum of \$ _____ for the performance of all of the Work Segment.
(Total Amount of Contract)

No deviation from the Plans and Specifications will be permitted or paid for unless a Modification in the form of a change order is first agreed upon and signed by RBG and the Subcontractor. RBG is to be notified of all changes in the requirements for the performance of the Work Segment before commencement of additional work, and will prepare a Change Order to describe the new scope of the Work Segment and agreed upon price. This is the only means by which a Subcontractor will be compensated for labor or materials beyond the original description of the Work Segment set forth above.

ARTICLE 5: Payment Process.

Draw schedules outlined on your estimates\work orders are very helpful. This way we can predict the flow of cash required for that particular job. We ask that you submit a payment request or bill for the amount due upon completion of the relevant piece of work. Typically, draw amounts should be tied to progress on the job. Invoices should be turned in to us promptly allowing sufficient time for review and processing. Upon review of your bill and the acceptance of your work a check will be issued. Depending on when you submit your invoice to us our goal will be to issue payment in 30 to 45 days. Please note, on certain jobs subcontractor payments may be based on our job payment schedule.

ARTICLE 6: Final Payment.

Final payment shall be due when the Work Segment is fully completed and performed in accordance with the Contract Documents and such completion and performance is satisfactory to RBG. Before RBG will issue the final payment to the Subcontractor, the Subcontractor, if requested by RBG, shall submit evidence satisfactory to RBG that all payrolls, bills for materials and equipment, and known indebtedness connected with the Subcontractor's performance of the Work Segment have been satisfied. Additionally, at the time of final payment, subcontractor must sign a waiver of liens for the project. This can be done via fax and the check mailed or checks may be picked up at RBG's office location listed above, if requested.

ARTICLE 7: Insurance:

Subcontractor is required to provide a Certificate of Insurance prior to starting work. RBG shall be added as an Additional Insured on each subcontractor General Liability policy, verified by a Certificate of Insurance and receipt of the Additional Insured form. Limits on the Subcontractor's General Liability for Premises/Operations and Products/Completed Operations shall be equal to or greater than \$1,000,000.00 per claim \$2,000,000.00 General Aggregate Liability. (These limits are subject to change.)

Article 8: GENERAL CONDITIONS:

1. Subcontractor is deemed to know all of the requirements of the applicable building code for his work at the site and subcontractor's bid price is deemed to include all work and materials required in order to comply with all applicable building codes. Subcontractor shall secure and pay for all permits, fees, and licenses necessary for the execution of the work segment.
2. Subcontractor is responsible to carefully examine the site as well as any plans, specifications, quality standards, checklists, and selection sheets in order to be fully informed as to the existing conditions and scope of work for the job in question.
3. The subcontractor shall not assign this subcontract without the written consent of RBG, which may be withheld, nor subcontract the whole of this subcontract without the written consent of RBG, nor further subcontract portions of the subcontract without written notification to RBG when such notification is requested by RBG. The subcontractor shall not assign any amounts due or to become due under this subcontract without written consent of RBG.
4. Subcontractor agrees to furnish all labor, new materials, installation, supplies, equipment, services, machinery, tools, and other facilities of every kind and description, including proper supervision at all times, required for the timely completion and efficient performance of the Work set forth below, hereinafter referred to as the "Work."
5. Subcontractor is required to cooperate fully with the contractor and other subcontractors on the job and during the scheduling process to maximize efficiencies.
6. The Subcontractor shall comply with Federal, State and local tax laws, social security acts, unemployment compensation acts and workmen's compensation acts insofar as applicable to the performance of this Subcontract.
7. All work of the Subcontractor will be performed in a good and workmanlike manner in accordance with plans and specification. Work must pass all applicable inspections (federal, state, and local) and meet all national and local building code requirements.
8. This Agreement is not offered as an exclusive contract for any phase of construction on this or any other RBG project.
9. Anything not shown on the plans, but which is mentioned in the specifications, or anything that is not expressly set forth in either, but which is implied, and is required to carry out the work intended by the plans and specifications, shall be performed the same as though specifically mentioned.
10. Written estimates shall set forth all work to be performed and the total contract price. All work, terms, covenants, and conditions specified on the estimates(s) are to be included in the contract price. No extras or changes will be paid if not previously approved and written on a change order as stated above.
11. All work and materials are subject to the satisfaction and acceptance of the Contractor, Architect, and home buyer if applicable. Subcontractors may be required to submit a completed and signed quality checklist certifying completion of his work along with his request for payment. Payments made to subcontractor for work will not discharge the obligation of subcontractor for satisfactory materials or work, including, but not limited to, when defects are apparent at a later date.
12. Once subcontractor has started work on any job, if job sits idle with no activity for a 72 hour period without notice, the Contractor may, at their option, have work completed by others and the expense shall be deducted from the amount owed to the subcontractor or back charged to subcontractor, unless subcontractor gets approval from Construction Manager. The Contractor may also, at their option, charge the subcontractor per day for each day the job sits idle with no activity. This amount will be deducted from any monies owed the subcontractor.
13. Subcontractor shall notify the Contractor a minimum of 24 hours after receiving any damaged material or material shortage and of any deficiencies of prior work that would cause a delay or an inferior job in his phase of work.

14. Once the work has started, the Construction Manager has the power to direct all the work from start to finish. Should there be any dispute regarding details, workmanship, discrepancies, etc., the matter will be settled immediately by the Contractor's decision, and his decision shall be final.
15. No one is allowed on the job site that is not an employee of the subcontractor.
16. After the subcontractor completes his work, he will be responsible for inspecting his work and that of his employees, completing the quality checklist where applicable, and correcting any deficiencies before requesting payment. The Contractor will not approve invoice for payment until this inspection and completion of all items has been performed. 100% payment for 100% Work! Inspection by the subcontractor does not guarantee acceptance by RBG. nor payment approval. If issues are identified a discussion between the subcontractor and the contractor will be initiated in order to rectify and payment issued.
17. Subcontractor is responsible for any damages caused by subcontractor or his work force and by subcontractor's suppliers or materials.
18. Subcontractor is to leave premises broom clean (house to be broom swept) at the end of each day and all excess material neatly stacked in garage or where directed by the Contractor. Waste material, boxes, etc., are to be placed as directed by the Contractor in an approved waste containment area, keeping debris away from adjoining properties. For houses left unclean and not broom swept, the subcontractor is subject to a \$100 fine or back charge.
 - a. **Clean-up and Maintenance - General:** The Contractor expects a safe and clean jobsite to be maintained at all times. Subcontractor is to dedicate effort at the end of each work day and between major operations as required to leave premises broom clean , with all excess material neatly stacked in garage or where directed by the Construction Manager. Waste material, boxes, and other debris are to be placed as directed by the Construction Manager. Sawdust, scrap, spoils, and garbage will not be tolerated anywhere on the interior or exterior of the property other than in designated areas. Subcontractor is also responsible for keeping any debris generated from their operations away from adjoining properties. Jobsites not meeting this standard shall be cleaned and protected by the RBG and the cost of same back-charged to the subcontractor at the hourly rate of \$75/hour plus the charges on the attached back charge list.
 - b. **Clean up and Maintenance - Finishes:** Additionally, Subcontractors dealing with final finishes wear surfaces, and installed equipment, appliances, and fixtures, including, but not limited to, countertops, cabinetry, flooring, finished plumbing, and electrical fixtures are expected to leave their surfaces maid-clean and fully protected from damage at the completion of their phase of work. Jobsites not meeting this standard shall be cleaned and protected by the Contractor and the cost of same back-charged to the Subcontractor at the hourly rate of \$75/hour plus any necessary equipment or protection at market rates.
19. Subcontractor must protect all public and private improvements including, but not limited to, telephone, utilities, sewer, gas, curb, drive, sidewalk, phone lines, and subcontractor will be responsible for any and all damages.
20. The subcontractor agrees to pay all of his bills when due for materials and labor used on the Contractor's jobs. Subcontractor agrees to keep such jobs free and clear of mechanics' claims or liens due to his nonpayment of any his suppliers or vendors used on the said project. The Contractor may, at his option, make any checks payable jointly to the subcontractor and any one or more of his suppliers or workers.
21. Subcontractor must notify the Contractor of any additional work performed at owners' request. Subcontractor must not do work for the owner without the written permission of Contractor. The above change order process would then be implemented.
22. Subcontractor or supplier shall furnish to Contractor copies of all specifications, installation instructions, and warranty information for materials included in their bids on each job. No substitutions shall be allowed without written prior approval, and Subcontractor shall remove and replace non-compliant items at their expense, including payment to Contractor for schedule delays in the amount of \$100 per day.
23. Subcontractor is to return to Contractor all blueprints or detailed drawings given to them for work or bid purposes upon request. All plans are proprietary in nature and are not to be shared with any person outside RBG.
24. Worker safety is paramount at RBG.
 - a. **Safety:** Subcontractor shall be responsible for compliance with the Federal Occupational Safety and Health Administration (OSHA) and all other federal, state, municipal, and local occupational hazard and safety acts, rules and regulations. Any fines, assessments and the like that Contractor and/or Owner are required to pay as a result of any act, omission or negligence by the Subcontractor or any party working for or on behalf of the Subcontractor or by any party delivering on behalf of the Subcontractor, shall be the responsibility of the Subcontractor.

- b. **Special Hazard Protection:** Subcontractors whose work poses hazard of fire, flood, electrocution, freeze, or other extraordinary conditions shall provide additional protection and care appropriate including, but not limited to, fire extinguishers, water sensors, shock protection, etc.
25. The use of drugs or alcohol is strictly prohibited on or near any job site. The subcontractor understands that violation of this policy will result in immediate termination of this Agreement and may result in forfeiture of any monies earned on the job where the violation occurs. THIS IS A ZERO TOLERANCE POLICY. Workers suspected of being under the influence of drugs or alcohol, or suffering effects of past influence will be removed from the jobsite immediately, and the subcontractor put on notice. Second offense is grounds for automatic termination of all present and future Agreements with the Contractor.
 26. OSHA can assess huge fines – any fines resulting from subcontractor’s negligence must be promptly paid for by the subcontractor.
 27. Theft by subcontractor or any employee of subcontractor will be grounds for immediate dismissal and will be punishable by law. THIS IS A ZERO TOLERANCE POLICY.
 28. Subcontractors and their employees are expected to be professionals. Their dress should be appropriate to the type of work they are performing and the time of year in which they are performing it. Their dress should be modest and non-offensive. No inflammatory political, social, or cultural slogans or images will be tolerated. Radios and noise levels should be kept at a reasonable level. They should make every effort to maintain good relationships with neighbors, owners, and other subcontractors.
 29. Tobacco Use: No smoking is permitted in homes. Smoking is allowed in designated areas only. All smoking materials to be extinguished in approved containers only. Chewing tobacco may be used so long as “spitting” is contained in appropriate containers and containers are removed daily.
 30. Vehicles: Not all jobsites have room for unlimited staging of vehicles, and subcontractors agree to cooperate fully. Loading and unloading is to be done as efficiently as possible, and vehicles moved to an appropriate parking area. Once final walk and driveway construction begins, no vehicles will be allowed in driveways except with prior permission from the Construction Manager. All vehicles must be kept off any grassed areas.
 31. Neighbors: Subcontractors and their representatives should make every effort to maintain good relationships with neighbors. Should a dispute occur, the subcontractor shall offer no resistance or response, but will rather notify the Construction Manager of the situation.
 32. Subcontractor agrees to provide a minimum one year warranty which aligns with the warranty provided to the homeowner by the Contractor. See attached warrantee service plan.
 33. The Subcontractor shall indemnify and hold harmless RBG and all of his agents and employees from and against all claims, damages, losses and expenses including attorney’s fees arising out of or resulting from the performance of the Subcontractor’s Work Segment under this Subcontract, provided that any such claim damage, loss or expense (a) is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (other than the Work Segment itself) including the loss of use resulting therefrom, and (b) is caused in whole or in part by any negligent act or omission of the Subcontractor or anyone directly or indirectly employed by him or anyone for whose acts he may be liable, regardless of whether it is caused in part by a party indemnified hereunder.
 34. Subcontractor’s indemnification and defense obligations hereunder shall extend to Claims occurring after this Subcontract Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally barred by applicable Laws.
 35. In any and all claims against RBG or any of his agents or employees by any employee of the Subcontractor, anyone directly or indirectly employed by him or anyone for whose acts he may be liable, the indemnification obligation under this Paragraph 33 shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefits payable by or for the Subcontractor under workmen’s compensation acts, disability benefit acts or other employee benefit acts.
 36. The obligations of the Subcontractor under the Paragraph 32 shall not extend to the liability of the Architect, his agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications or (2) the giving of or the failure to give directions or instructions by the Architect, his agents or employees provided such giving or failure to give is the primary cause of the injury or damage.
 37. The Subcontractor agrees to pay any and all Federal, State, and Local taxes which are, or may be, assessed upon any materials and the labor which he may furnish under this Subcontract Agreement.

38. CALL-BACKS--Subcontractor agrees to address call-backs in a timely fashion. RBG will contact Subcontractor twice with punch-list items to be corrected, after which RBG will correct the punch-list items and deduct cost of this work from payments to the Subcontractor. In the event the Subcontractor has been paid in full, RBG will invoice for the cost of this corrective work and payment will be due within 30 days.
39. Subcontractor agrees to contact homeowner within 48 hours after receiving a request for warranty work to be performed and promptly correct the problem within five (5) working days at Subcontractor's expense other than in emergency situations.

ARTICLE 9. RBG's Responsibilities

1. RBG shall be bound to the Subcontractor by the terms of this Subcontractor Agreement.
2. RBG shall promptly notify the Subcontractor of all modifications to the project which affect this Subcontract Agreement and which were issued or entered into subsequent to the execution of this Subcontract Agreement.
3. RBG shall permit the Subcontractor to obtain directly from the Architect, if any, evidence of percentages of completion certified on his account of the Work Segment.
4. Unless otherwise provided in the Contract Documents, if the Architect fails to issue a Certificate for Payment or RBG does not receive payment for any cause which is not the fault of the Subcontractor, RBG shall pay the Subcontractor, on demand, a progress payment computed as provided in Article 5 or the final payment as provided in Article 6.
5. RBG agrees that if it fails to make payments to the Subcontractor as herein provided for any cause not the fault of the Subcontractor, within seven days from the time payment should be made as provided in Article 5 and Article 6, the Subcontractor may, upon seven days additional written notice to RBG, stop his Work Segment without prejudice to any other remedy he may have, unless, within that seven days, RBG shall makes such payments as are due.
6. RBG agrees that no claim for payment for services rendered or materials and equipment furnished by RBG to the Subcontractor shall be valid without prior notice to the Subcontractor and unless written notice thereof is given by RBG in advance.
7. RBG shall cooperate with the Subcontractor in scheduling and performing his Work Segment to avoid conflicts or interference in the Subcontractor's Work Segment.
8. RBG shall permit the Subcontractor to be present and to submit evidence in any arbitration proceeding involving the Subcontractor's rights.
9. RBG shall permit the Subcontractor to exercise whatever rights RBG may have under the Building Contract in the choice of arbitrators in any dispute in which the sole cause of the dispute is the Work Segment materials, equipment, rights or responsibilities of the Subcontractor.

ARTICLE 10. Arbitration

All claims, disputes and other matters in question arising out of or relating to this Subcontract, or the breach thereof, shall be decided by arbitration in Chester County in the same manner and under the same procedure as provided in the Contract Documents with respect to disputes between the Owner and RBG except that a decision by the Architect shall not be a condition precedent to Arbitration.

ARTICLE 11. Miscellaneous Provisions

1. The parties, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement.
2. This Agreement represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties.
3. Notices. Any notices permitted or required under this Agreement shall be deemed given upon the date of personal delivery or 48 hours after deposit in the United States mail, postage fully prepaid, return receipt requested addressed to the parties at the addresses set forth in the Heading of this Subcontract Agreement or at any other address as any party may, from time to time, designate by notice given in compliance with this section.
4. Waiver. The waiver by either party of the breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach.

5. Presumption. This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by said party.

ARTICLE 12. Erosion Controls

Subcontractor shall be responsible for compliance with all federal, state, and municipal storm water management and erosion control practices. Any fines, assessments and the like that Contractor and/or Owner are required to pay as a result of any act, omission or negligence by the Subcontractor or any party working for or on behalf of the Subcontractor or by any party delivering on behalf of the Subcontractor, shall be the responsibility of the Subcontractor.

I, **NAME:** _____, agent for _____, have read and fully understand this **Subcontractor Agreement** and I hereby agree to perform all work in accordance with the above. I further attest that I am authorized to sign for the above subcontractor.

____ / ____ / 2010
Date

James M Renehan

James M Renehan
Printed Name

President
Title

____ / ____ / 2010
Date

NAME Signature

Printed Name

Title