

TERMS AND CONDITIONS

for

SUBCONTRACTORS



Construction Requirements: The work of all Subcontractors, their employees, and/or trades is expected to be performed in a good and workmanlike manner. Workmanlike quality is defined as workmanship which meets or exceeds those criteria indicated in the building codes, using materials and installation methods identified in the construction plans, Company's Scope of Work and defined by industry standards for each trade. The Subcontractor is required to be familiar with the latest Scope of Work for its trade. A copy of the latest Scope of Work will be made available upon request. Copies of Scopes of Work and Inspection Reports may also be downloaded from the Company website.

Relationship With Homeowner: Company may, in the course of business, introduce the Subcontractor to a Homeowner with whom Company has a relationship. The Subcontractor recognizes and affirms that the relationship between Company and the Homeowner is important and valuable. The Subcontractor agrees not to solicit or accept business directly from the Homeowner for a period of 90 days from the date of the introduction or the date of completion of any project initiated by Company with the Homeowner, whichever is later. This provision shall apply whether or not the Subcontractor actually performs any work for Company on the Homeowner's project.

Inspection Reports: The Subcontractor and a Company representative shall walk the job together and complete each section of the inspection report(s). The Subcontractor must correct any deficiency found during the inspection and the job must be 100-percent complete before payment will be made. The Subcontractor and a Company representative must sign-off on all sections of the inspection report(s) attesting that the job is correct and complete.

Punch-List: The site superintendent shall inspect the work of each Subcontractor and will issue a punch-list of all items requiring correction as soon as the Subcontractor has completed his or her work. The Subcontractor is expected to immediately complete their punch-list so that he or she does not slow down overall construction of the home and/or the scheduling of the next trade contractor. Should the Subcontractor not return to complete his or her punch-list within a reasonable time, the site superintendent may hire someone to complete the punch-list and the Subcontractor will be charged for this work. The job will not be considered to be complete and no payment shall be made until all punch-list items are completed and approved by the site superintendent.

Invoicing Procedure: Invoices must be turned into the site superintendent no later than Thursday at 5:00 p.m. Invoices will be approved and turned into the office on Friday. The Subcontractor or their representative must sign his or her purchase order before payment will be issued. The purchase order may be used in place of an invoice to request payment.

Homeowner's Walk-Through List: Any items found on the homeowner's walk-through that require correction must be completed immediately upon notification. Time is of the essence for completing corrections on homeowner's walk-through. If any Subcontractor does not return to correct his or her items listed on the walk-through list, then someone else will be hired to make the corrections and the Subcontractor will be back-charged and agrees to reimburse Company for costs associated with repairs.

Safety: The Subcontractor acknowledges that it has its own Safety and Hazard-Communication program for its employees and/or trade contractors. Subcontractor agrees to comply with OSHA and/or any other governmental agency's safety rules and regulations. Should any citations, fines, and/or penalties, etc., be incurred by Company due to the negligence or oversight of the Subcontractor, the Subcontractor agrees to indemnify and reimburse Company for any and all penalties, fines, etc., incurred.

Insurance: Subcontractor acknowledges that a requirement of working for Company is that the Subcontractor have current Worker's Compensation and General Liability Insurance in place at all times, naming Company as ADDITIONAL INSUREDS. The Subcontractor agrees to indemnify Company and to be responsible for any claims, expenses, or litigation arising from any claim made against Company due to any injury of the Subcontractor's employee or trade contractor for any worker's compensation claim. The Subcontractor also agrees to indemnify Company and be responsible for any claims, expenses, or litigation arising from any claim made against Company due to the workmanship, equipment, or materials supplied by the Subcontractor.

Purchase Order Number: No invoice shall be paid that does not include the purchase order number for the job. The preprinted Work Order issued by Company may be used as an invoice.

Cleanliness: The Subcontractor is responsible for leaving the work area clean and free of debris. If it is necessary for Company to remove debris left by the Subcontractor, the Subcontractor will be assessed a clean-up fee of \$100.00. The site superintendent or other Company representative will designate an area for all building debris and trash. Such area may be a dumpster or a designated trash pile on the lot.

Trash, such as lunch or snack trash, is not to be thrown on the floor of the house, in the basement or anywhere on the jobsite. All such trash must be placed in the designated trash receptacle.

Port-a-johns are provided on all job sites. Any person found using sinks, tubs, commodes that are not hooked up, ductwork, closets, etc., as a toilet will be fined \$100.00 and will not be allowed back on any of Company's jobsites. It is the responsibility of the Subcontractor to impress on its employees and trade contractors that this offensive habit of using any area as a toilet facility will not be tolerated.

No smoking is allowed in any house after exterior sheathing is installed.

Warranty: All work is to be guaranteed for one (1) year from date of sale and/or closing of the house. The Subcontractor agrees to abide by the warranty coverage requirements and time period as they pertain to its trade.

Drug-Free Workplace: Company is a drug-free workplace. The use of any controlled substances (drugs) or alcohol on any Company's jobsite is not permitted. Should the Subcontractor or its employees be found to be in possession of either drugs or alcohol on any jobsite, the Subcontractor will be requested to leave the jobsite and will not be allowed to return to work until the problem is corrected to the satisfaction of Company.

Pricing/Change Orders: All work is quoted and priced per model. Payment will be made per the price listed on the purchase order. Any change order will be priced per change order. No additional work will be considered, allowed, or paid other than that priced on the purchase order. Should the Subcontractor be requested to perform any additional work the Subcontractor must request an additional purchase order from the site superintendent.

Damage and/or Wastefulness of Materials: Damage to materials and installed items such as carpet, vinyl, fixtures, etc., caused by negligence on the part of the Subcontractor or its employees will result in back charges for the amount necessary to replace or repair the item. Wastefulness of materials by the Subcontractor will result in the cost of that material being deducted from payment due the Subcontractor.

I, _____, agent for _____,

have read and fully understand the above **Terms and Conditions**, and I hereby agree, for myself and for the Subcontractor, to perform all work in accordance with the above.

Date: _____

Signed: Subcontractor (or agent)