

**SUB-CONTRACT AGREEMENT**

**OWENS CONSTRUCTION, INC**.

828 West Beaufort Rd. | Beaufort, NC 28516

P: (252) 504-3163 | F: (252) 504-3163 | [www.owensconstructionusa.com](http://www.owensconstructionusa.com/) (HEREINAFTER REFERRED TO AS THE CONTRACTOR OR OCC)

|  |  |  |  |
| --- | --- | --- | --- |
| TO: | {Subcontractor} | PROJECT: | {Project Name} |
|  | {Address} |  |  |
|  | {City, State, Zip} | PROJECT #: | {Project Number} |
| (Hereinafter referred to as sub-contractor) | | |  |

Date:

Section 1.

The General Contractor and the Sub-Contractor agree, for the considerations hereinafter named, as follows on the above named project, including, but not limited to, all labor, material and equipment as required for (scope of work) as per plans, specifications, existing conditions, construction schedule for the sum of:

|  |  |
| --- | --- |
| Dollar Amount of Contract: | ${Contract Amount} |
| Dollar Amount of Contract In Words: | {Contract Amount in words} |

IN WITNESS WHEREOF the Contractor and Sub-Contractor have executed this agreement subject to and including the conditions herein and those on the reverse side hereof, the day and year first above written.

|  |  |
| --- | --- |
| OWENS CONSTRUCTION, INC. | {SUB-CONTRACTOR NAME} |
| By: | By |
| Signature: | Signature: |
|  |  |
|  |  |

Section 2. It is expressly agreed that there are no promises, agreements, or understandings outside of this instrument and any subsequent changes or modifications must be mutually agreed upon in writing.

Section 3. The Sub-contractor shall immediately furnish to the Contractor certificates of insurance showing that he is complying with the Workman’s Compensation and Public Liability insurance laws in the State where this work is to be performed. The certificates of insurance must state that the insurance company will notify the Contractor in writing 30 days before any material change, cancellation or expiration of the policy takes place.

Section 4. Unless otherwise stated herein, all work is to be in accordance with plans, specifications, general conditions, and all contract documents.

Section 5. Before proceeding, the Sub-contractor shall inspect all surfaces and preparatory work done by others which affect his work. In the event any condition is found that will prevent his completing his work satisfactorily and in accordance with plans and specifications and this agreement, he is to notify the Contractor in writing before proceeding. If the Sub-contractor proceeds without giving written notice, this shall constitute his acceptance of all such surfaces and preparatory work.

Section 6. All labor employed by Sub-contractor throughout the work shall be acceptable to the contractor and Owner and of a standing or affiliation that will permit the work to be carried on harmoniously and without delay, and that will in no case or under any circumstances cause any disturbance, interference or delay to the progress of this project, or any other work being carried on by the Contractor or Owner in this or any other location in the United States.

Section 7. Sub-contractor shall keep the premises clean of all trash and debris while work is in progress and, on completion, shall remove all his trash and shall clean his work and any other, including window glass, which is spattered, or dusty, or defaced in any other manner by reason of the work of Sub-contractor. Should the Sub-contractor neglect or refuse to do this, the Contractor shall have the right to do it, and deduct the cost from the Sub- contractor’s payment.

Section 8. The Sub-contractor shall supply men and materials and start operation as directed by Contractor and shall maintain sufficient men and materials on the job and work such hours as are necessary to comply with the progress schedule established by the Contractor. Should Sub-contractor neglect to prosecute the work properly or fail to perform any provision of this agreement including quality of materials or workmanship, the Contractor, upon written notice to Sub-contractor, may, without prejudice to any other remedy he may have, supply men and materials or make good any deficiencies and deduct the cost thereof from payments then or thereafter due to Sub-contractor. Should liquidated damages be assessed against Contractor due to Sub- contractor negligence or failure to perform, such damages shall be chargeable to Sub-contractor’s account in proportion to which Sub-contractor’s neglect or failure is responsible for total damages suffered by Contractor.

Section 9. Subcontractor Application for Payment must be received in CONTRACTOR’S office on the 20th of each month. Monthly progress payments (less 10% retainage) shall be made to Sub-contractor thirty (30) days after OCC’s receipt of payment from Owner, so long as Sub-contractor is not in default or breach of this agreement or any other agreement between Sub-contractor and OCC. Sub-contractor shall not be entitled to payment to the extent there is (a) any indebtedness owed by Sub-contractor to OCC. (b) defective work not remedied or defective materials not removed and replaced (c) third party claims (d) claimed failure to Sub-contractor to make payments to its sub-Sub-contractors, suppliers or laborers (e) reasonable doubt that the work can be completed for the unpaid balance of the Sub-contractor-contract sum (f) damage to OCC or another contractor, Sub-contractor, or third party wholly or partially caused by Sub-contractor (g) unsatisfactory or untimely prosecution of the work by Sub-contractor or (h) failure of Sub-contractor to comply with Contract Documents.

Section 10. No Claims by Sub-contractor for additional compensation due to delay, adverse weather, overtime premium pay, change of plans, or otherwise shall be valid unless approved by Owner and paid to Contractor for Sub-contractors account.

Section 11. Unless otherwise required by the Contract Documents, the Sub-contractor shall guarantee his work for a period of one year after acceptance by the Owner against any defects in materials or workmanship and shall repair or otherwise make good, at his own expense, any such defects that occur within the guarantee period.

Section 12. Sub-contractor agrees to, for the sum of the first ten dollars paid completely indemnify and hold harmless to the fullest extent allowed by law, the Contractor, its agents and employees (Indemnitees) from and against all claims, damages, losses, and expenses including claims caused by Indemnitees, if the claim relates to the work of the Subcontractor under this contract, provided however that any claim for indemnification by indemnitee(s) shall be limited to the amount of Subcontractor’s insurance or $1 million per occurrence, whichever is greater.

Section 13. It is specifically agreed that, in addition to the other requirements set forth in the Sub- contract, final payment to the Sub-contractor shall not become due unless and until, and is a strict condition precedent OCC has actually received final payment from the Owner for the Sub-contractors work. It is the parties intent that, to the extent the Owner does not make any payment to OCC for the Sub-contractors work, then to that same extent OCC and its surety shall not be obligated and shall have no duty to make final payment to the Sub-contractor. The Sub-contractor acknowledges and agrees that this payment provision is made with the specific intent to shift the risk of Owner nonpayment from OCC and its surety to the Sub-contractor. To the extent that any provision contained in any agreement between Contractor and Owner shall in any way be inconsistent with this or any other provision contained in the subcontract, the provisions contained in this subcontract shall prevail.

Section 14. The Contractor reserves the right to terminate this Contract for defective work, lack of performance, quality of workmanship, failure to follow policies and procedures as established in Contract Documents, and for convenience as necessary to protect the Contractors interest.