

GENERAL CONTRACTOR PACKET

CONTRACTOR NAME:		
COMPANY:		
PHONE NUMBER:		
EMAIL ADDRESS:		
GENERAL LIABILITY COVERAGE - ACTIVE	<input type="checkbox"/> YES	<input type="checkbox"/> NO

TRADE CATEGORIES

Check the trade categories that you are experienced on.

- | | |
|---|---|
| <input type="checkbox"/> All Trades – GC
<input type="checkbox"/> Alarms Installation
<input type="checkbox"/> Asbestos
<input type="checkbox"/> Asphalt
<input type="checkbox"/> Awning
<input type="checkbox"/> Brick
<input type="checkbox"/> Cabinets
<input type="checkbox"/> Carpentry
<input type="checkbox"/> Cleaning Service
<input type="checkbox"/> Commercial
<input type="checkbox"/> Concrete – Reinforced Structures
<input type="checkbox"/> Concrete – Sidewalks, Floors, Curbs
<input type="checkbox"/> Demolition
<input type="checkbox"/> Doors
<input type="checkbox"/> Drywall/Sheetrock
<input type="checkbox"/> Electrical
<input type="checkbox"/> Emergency Services
<input type="checkbox"/> Engineering
<input type="checkbox"/> Fencing
<input type="checkbox"/> Fire Sprinklers
<input type="checkbox"/> Flooring – Carpet, Wood Finish
<input type="checkbox"/> Foundation
<input type="checkbox"/> Framing
<input type="checkbox"/> Gutters | <input type="checkbox"/> HVAC
<input type="checkbox"/> Insulation
<input type="checkbox"/> Interior / Finish-Out
<input type="checkbox"/> Landscape
<input type="checkbox"/> Masonry
<input type="checkbox"/> Painting – Exterior / Interior
<input type="checkbox"/> Plastering / Lathing
<input type="checkbox"/> Plumbing
<input type="checkbox"/> Restoration
<input type="checkbox"/> Remodeling
<input type="checkbox"/> Roofing
<input type="checkbox"/> Siding
<input type="checkbox"/> Stucco
<input type="checkbox"/> Structural Steel Fabrication
<input type="checkbox"/> Tile
<input type="checkbox"/> Trim
<input type="checkbox"/> Trash Haul Off
<input type="checkbox"/> Waterproofing
<input type="checkbox"/> Welding
<input type="checkbox"/> Windows – Replace / Installation
<input type="checkbox"/> Other: _____
<input type="checkbox"/> Other: _____
<input type="checkbox"/> Other: _____
<input type="checkbox"/> Other: _____ |
|---|---|

I accept all terms and conditions included in this packet.

SUBCONTRACTOR AGREEMENT

INDEMNITY NOTICE: THIS CONTRACT CONTAINS PROVISIONS BY WHICH SUBCONTRACTOR INDEMNIFIES CLASSIC FOR CERTAIN MATTERS. SEE PARAGRAPH 25.

NO AMENDMENT OF THE TERMS OR CONDITIONS OF THIS CONTRACT WILL BE EFFECTIVE UNLESS MADE IN WRITING SIGNED BY SUBCONTRACTOR AND AUTHORIZED MANAGEMENT OF CLASSIC.

1. **CONTRACT DOCUMENTS.** The contract documents ("Contract Documents") forming this Contract include this Contract, as well as any scope of work, change orders, and work orders issued and applicable to particular projects for which Subcontractor is engaged.
2. **SCOPE OF WORK.** The work to be performed under this Contract (the "Work") is that set forth in each scope of work, change orders, and work orders issued and applicable to particular projects for which Subcontractor is engaged.
3. **PRICE.** The price to be paid by Classic to Subcontractor for the Work, inclusive of every component of the Work (whether labor, services or materials) and every tax and fee payable to any authority, municipality or agency in connection with the Work (all of which are the responsibility of Subcontractor) will be as set forth on the scope of work, change order, and work order issued and applicable to particular projects for which Subcontractor is engaged.
4. **PAYMENTS.** Upon request of Classic, as a condition precedent to the payment of any sum to Subcontractor, Subcontractor must deliver to Classic recordable lien waivers by Subcontractor and its subcontractors and suppliers for work performed and materials incorporated into the Work for which payment is made. If any lien remains outstanding or is claimed at any time before all payments have been made to Subcontractor, the same will constitute a default of this Contract and Classic will be entitled, in addition to any other remedies hereunder, to retain funds due Subcontractor as provided in Paragraph 10. If any lien remains outstanding or is claimed at any time after all payments have been made to Subcontractor, then Subcontractor must, upon demand by Classic, refund to Classic all monies received by Subcontractor under this Contract in an amount that Classic deems sufficient to enable it to pay and discharge such lien or lien claim. Payment of any sum to Subcontractor will not be construed as a waiver by Classic of work later found to be defective and will not release Subcontractor from liability for defective work or from Subcontractor's warranties and warranty service obligations. Subcontractor's obligations under this paragraph will survive any termination of this Contract. Title to all work, materials, and equipment provided by Subcontractor under this Contract will pass to Classic either by incorporation in the construction or upon receipt of payment by Subcontractor, whichever occurs first, free and clear of all liens, claims, security interests, and encumbrances. Invoices must be received by Classic within 90 days from approved completion of work. Classic has no obligation to pay invoices that are not timely received in accordance with this section.
5. **PERFORMANCE OF WORK.** Subcontractor must begin and continually perform the Work in accordance with the schedule provided for the Work, and the terms and conditions of this Contract, and without lien or claim attaching to the subject property by any act or omission to act on the part of Subcontractor or any employee, subcontractor, or supplier of Subcontractor. If Subcontractor fails to perform the Work in substantial compliance with these terms, or fails to correct defective work, or fails to perform warranty service under this Contract or any other agreement with Classic, and such failure continues for two consecutive days, then Classic may declare Subcontractor in default of this Contract by written notice to Subcontractor, and may proceed with any remedies available to Classic under this Contract or at law or in equity, including immediate termination of this Contract.
6. **INSPECTION OF WORK PREMISES.** Subcontractor must ensure that the premises where Work is to be performed ("Work Premises") constitute a safe working environment for persons performing the Work, and must immediately report in writing to Classic any unsafe condition and not permit any person to perform Work in the event of an unsafe working condition. Subcontractor is solely responsible for providing any safety-related training to its subcontractors and employees.
7. **INSPECTION OF OTHER WORK BY SUBCONTRACTOR.** Subcontractor is responsible for inspecting any work of another subcontractor that may affect Subcontractor's work and must report in writing to Classic any defects in such other work upon discovery of any defect prior to commencing the Work. Subcontractor's failure to do so constitutes acceptance of such other work as correct and fit to be accommodated into Subcontractor's Work.
8. **INSURANCE REQUIREMENTS.** Subcontractor must, at a minimum, maintain the following insurance coverage. Subcontractor must provide and deliver to Classic certificates of insurance that evidence the required insurance coverage prior to commencement of the Work under this Contract, at all renewal periods, and at any time upon request by Classic. Failure to maintain or provide proof of this insurance coverage is a breach of this Contract. Should Subcontractor fail to abide by this provision, Classic may withhold payment of all invoices or other amounts due until Subcontractor complies with this provision.
 - (a) Workers Compensation Insurance as required by the state of Texas and Employers Liability Insurance with minimum limits of \$500,000 for bodily injury by accident and disease per employee and a fully executed DWC-83 form.
 - (b) Commercial Automobile Insurance insuring owned, non-owned, and hired autos with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.
 - (c) Commercial General Liability Insurance on an occurrence form with a combined single limit of \$1,000,000 per occurrence, per project. Commercial General Liability coverage must include

contractual liability insurance sufficient to cover damages from a Subcontractor's defective work, including Subcontractor's indemnity obligations as set forth in this Contract, as well as products and completed operations for each project for a period of at least 5 years.

- (d) As a separate and additional obligation, independent of the indemnities contained in this Contract, all of the required insurance named above except the Workers Compensation Insurance, must be written or endorsed to name Classic as additional insured to the extent of Subcontractor's indemnity and other obligations under this Contract.
- (e) All of the required insurance policies named above will be written or endorsed to be primary to any other coverage available to Classic that may cover the loss. Deductibles must be no greater than \$10,000 per any one occurrence, for which Subcontractor is responsible in the event of a loss. This deductible applies to both bodily injury and property damage losses and includes all legal and loss adjustment expenses. Subcontractor is responsible for assuring that any of its subcontractors maintain the insurance requirements set forth in this Contract.
- (f) Subcontractor agrees to waive all rights of subrogation against Classic and will include a waiver of subrogation for the benefit of Classic in each of the above-referenced insurance policies.
- (g) Subcontractor must provide Classic with notice of cancellation or non-renewal thirty days prior to the expiration or cancellation of the required insurance coverages.
- (h) **ADDITIONAL INSURED & CERTIFICATE HOLDER:**

CLASSIC CONSTRUCTION & RESTORATION, INC.
406 S Yale Dr., Garland, TX 75042

If at any time, Classic does not have on file from Subcontractor a current Certificate of Insurance evidencing liability coverage in the above-stated amounts and listing Classic as additional insured, then Subcontractor authorizes Classic to withhold payment on all invoices or other amounts otherwise due to Subcontractor. Classic has no duty to obtain any insurance for Subcontractor.

9. **SUBCONTRACTOR EMPLOYEES.** Subcontractor assumes full responsibility for all acts, negligence, or omissions of, and all injuries to, all of Subcontractor's employees, and all subcontractors and other persons doing work for or under Subcontractor, whether under written contract or oral agreement. Neither Classic nor its customers are responsible or liable for any accidents or injuries to Subcontractor's employees, or employees of Subcontractor's suppliers or subcontractors.

10. **SUBCONTRACTOR'S DEFAULT AND CLASSIC'S REMEDIES.** In addition to events stated elsewhere in this Contract to constitute a default, Subcontractor will be in default of this Contract if: (i) Subcontractor fails to perform any obligation of Subcontractor under this Contract, or any representation or warranty of Subcontractor is determined to be false in any material way; (ii) any Work is found to be defective and is not remedied by Subcontractor within 48 hours after Subcontractor is notified of such defective Work; (iii) Classic receives notice under any mechanics' and materialman's lien statute that Subcontractor has not made prompt and proper payment to employees, agents, subcontractors, or suppliers; (iv) any lien or claim is filed in respect of the Work or notice thereof is given to Classic or its customer; (v) in Classic's opinion, Subcontractor's Work is not progressing satisfactorily in accordance with schedule or otherwise in accordance with this Contract; (vi) Subcontractor fails to perform warranty service under this Contract; or (vii) Classic is cited or fined by any governmental agency on account of or arising out of the violation of any law, regulation, ordinance, administrative ruling, or court order by Subcontractor or any of Subcontractor's employees, agents, or subcontractors. In the event of default by Subcontractor under this Contract or under any other agreement with Classic, then Classic will be entitled, in addition to any and all other rights and remedies available to Classic under this Contract or at law or in equity, to retain all sums due Subcontractor, and may cause the Work to be performed by others and apply any sums then due Subcontractor against the cost of completion of the Work and thereafter to the cost of any obligations arising under the provisions of Paragraph 12. In the event cost of completion results in a deficiency, Subcontractor will be fully responsible for such deficiency, together with any damages and costs of enforcement of this Contract (including attorneys' fees and costs of litigation). **CLASSIC WILL BE ENTITLED TO WITHHOLD STATUTORY RETAINAGE FOR THE PERIOD PROVIDED BY STATUTE IN ACCORDANCE WITH TEXAS LAW. SUBCONTRACTOR WAIVES SUBCONTRACTOR'S RIGHTS TO CONSTITUTIONAL AND STATUTORY LIENS ON ANY WORK NOT FULLY PERFORMED BY SUBCONTRACTOR.**

11. **SUBCONTRACTOR RESPONSIBILITIES.**

- (a) Subcontractor must read and become familiar completely with all documents applicable to this Contract before commencing any of the Work. Subcontractor is solely responsible for all construction under this Contract, including the techniques, sequences, procedures, means, and coordination of all Work. Subcontractor must supervise and direct the Work to the best of Subcontractor's ability and in conformity with good industry practice and standards and give the Work all attention necessary for the proper supervision and direction thereof.
- (b) Subcontractor must cause all Work to be completed in a good and workmanlike manner according to industry practice and standards. Subcontractor represents and warrants to Classic that all labor done and all equipment and material furnished by or under Subcontractor and used in the Work and made a part of structures constructed on the property or placed permanently in connection therewith will be new unless otherwise expressly specified in the scope of work or change order.
- (c) **SUBCONTRACTOR WARRANTS THAT AT SUBCONTRACTOR'S SOLE EXPENSE ALL LABOR AND MATERIAL FURNISHED BY SUBCONTRACTOR FOR WORK SHALL BE FREE OF DEFECTS FOR A PERIOD OF ONE YEAR FROM THE DATE OF COMPLETION. SUBCONTRACTOR AGREES TO MAKE ALL REPAIRS AND CORRECT SUCH DEFECTS UNDER SUBCONTRACTOR'S WARRANTY.**

- (d) Subcontractor must furnish all warranties and guaranties by manufacturers on all consumer products and all certificates required by any municipality, FHA, or VA. All such warranties and guaranties shall be deemed assigned to Classic and its customer. All warranties made by Subcontractor in this Contract shall survive this Contract in the event of termination or expiration hereof for any reason prior to the running of the full warranty period.
- (e) SUBCONTRACTOR MUST COMPLY WITH ALL FEDERAL, STATE AND LOCAL LAWS, REGULATIONS, AND ORDINANCES PERTAINING TO THE WORK, INCLUDING SPECIFICALLY AND WITHOUT LIMITATION THOSE RELATING ESTABLISHED OR ENFORCED BY THE OCCUPATIONAL SAFETY AND HEALTH ACT, UNITED STATES CUSTOMS AND IMMIGRATION, THE TEXAS WORKFORCE COMMISSION, AND THE UNITED STATES DEPARTMENT OF LABOR.
- (f) Subcontractor warrants that all labor and material will be new, of good quality and free from faults and defects. This warranty shall remain in effect from the date of the work order until after the date of completion. Warranty work, if required, shall be the responsibility of the Subcontractor and must be completed within 48 hours of when Subcontractor is notified of the need for such warranty work. If the warranty work is not completed by Subcontractor, Classic reserves the right to contract the work out to another Subcontractor. All costs incurred by Classic due to the failure of Subcontractor to complete the warranty work shall be deducted from the first available payment due, and if no such payment is due, then Subcontractor shall be responsible for payment to Classic for all costs incurred to complete warranty work.
- 12. TAXES, LICENSES, AND BONDS.** Subcontractor must pay all taxes required by law in connection with the Work, including sales, use, and similar taxes, and must secure all licenses and permits necessary for proper completion of the Work, paying all applicable fees. SUBCONTRACTOR IS SOLELY RESPONSIBLE FOR WITHHOLDING TAXES, SOCIAL SECURITY TAXES, AND TEXAS UNEMPLOYMENT TAXES FOR ALL ITS EMPLOYEES.
- 13. INSPECTION AFTER FINAL COMPLETION.** After final completion, the Work is subject to inspection and approval by the FHA, the VA, other governmental agency, or private or public utility company having jurisdiction thereof, as applicable, and third party quality inspectors, and all Work shall conform to the regulations, plans, and standards of all of the same, as applicable. CLASSIC may withhold payments due under this Contract until Subcontractor's Work complies with all such requirements. If the project it's not approved upon inspection, Classic will generate a punchlist. The original Subcontractor will have 48 hours to complete the punchlist. If the original assigned Subcontractor doesn't complete the punchlist, it will be issued to another Subcontractor and a chargeback will be applied to the original Subcontractor for that work order.
- 14. DEFECTIVE WORK.** Upon oral or written notice by Classic to Subcontractor that any part of the Work is incorrect, defective, or non-conforming, Subcontractor must within 48 hours correct the deficiencies at Subcontractor's sole expense. Subcontractor's failure to do so is a breach of this Contract.
- 15. STORAGE OF HAZARDOUS CHEMICALS.** No hazardous chemicals or materials may be stored overnight at any Work Premises.
- 16. SOLICITATION.** Subcontractor agrees to keep all information about Classic's customers, pricing, and business practices confidential. Subcontractor further agrees that access to Classic's customer and pricing information are the primary factors in Subcontractor's ability to service Classic's customers, and that all customers for whom you perform work under this Contract are customers of Classic. For a period of two years following termination of this Contract for any reason, or completion of work under this Contract, Subcontractor will not solicit or accept business or work from any of Classic's customers, or any of Classic's prospective customers, for whom Subcontractor performed work under any agreement with Classic, or whose names became known to Subcontractor as a result of work performed under any agreement-with Classic. For purposes of this provision, the term "solicit" includes initiation of any contract with customers for the purposes of conducting business with or transferring business to any other person or firm. Should Subcontractor breach any of these provisions, Classic will be entitled to immediate injunctive relief from a court of competent jurisdiction, without any need for Classic to prove any money damages from the breach, along with all other legal and equitable remedies.
- 17. MATERIAL PURCHASES.** On all jobs where materials are paid for by Classic Construction: (i) A receipt with the check stub that was given to you must accompany the invoice. The name of the job must be clearly written on the receipt and the name must match that on the work order. Do not use a blank address. No checks will be issued absent compliance with these requirements. (ii) All unused material that is paid for by Classic is to be returned to Classic. Any subcontractor caught stealing any material or equipment will be terminated. (iii) If Subcontractor is scheduled to pick up material from a supplier, Subcontractor is responsible for the material ticket. Anything lost or stolen from the ticket will be replaced at Subcontractor's expense by either personal purchase or deduction from payment. Subcontractor may not add any additional items to pick up orders. (iv) Any additional material approved by Classic and bought by Subcontractor can be reimbursed only if Subcontractor provides Classic with the original receipt with the name of the job clearly written on it, and the approving signature of the Production Manager or Sales Manager.
- 18. SAFETY RULES.** Subcontractor must implement and enforce adequate safety measures. Where work involves falling debris, Subcontractor must require the use of hard hats. Subcontractor may not bypass or disable any safety devices. Subcontractor must have fire extinguishers on the roof and on the ground when applying torch down roof material.

Sub-Contractor is responsible for being OSHA Compliant. If you, your employees or your sub-contractors are charged with a Violation, you are financially and legally responsible; Classic Construction has no financial or legal obligation.

- 19. ROOFING RETAINAGE.** For all roofing jobs that exceed \$5,000, Classic will hold back 10% retainage for warranty items on all checks for 30 days in case of any warranty items that may have to be completed. At the end of the 30 days, the funds will be released on a regular pay period day. Do not contact the office staff for release of these funds - all questions should be referred to your Production Manager.
- 20. PAYMENT/DRAW SCHEDULE.** The following provisions apply for Subcontractor to be paid by Classic: (i) Subcontractor must have a signed scope of work or work order prior to beginning the job; (ii) Attach original subcontract for payment. Use a new invoice per payment request. Invoices are reviewed **the week following a Friday submission.** (Emailed invoices are accepted, but Subcontractor must contact Classic to confirm receipt) **After final approval from sales, production and Classic Construction's customer, invoice will then be submitted to accounting for payment;** (iii) Subcontractor must fill in the invoices, as Classic does not complete invoices for its subcontractors; (iv) Subcontractor must provide a signed and notarized lien waiver each time that Subcontractor tenders an invoice or otherwise requests payment from Classic; (v) If the Subcontractor receives a draw in advance for a Labor & Materials work order, it should be utilized to purchase the materials required for that project, as Classic will not purchase the materials apart from issuing a draw. All invoices must contain:
- Name of job,
 - Invoice amount, less any draws or materials purchased by Classic,
 - Any APPROVED additional items purchased by Subcontractor with an original receipt,
 - A copy of the original work order or scope of work, and
 - Subcontractor's name, address, and telephone number
- 21. CHANGE ORDERS.** The Account Manager, Estimator and/or the Production Department are the only people authorized to approve any "extras" or change orders to your original work scope. Your work order must be updated to reflect the change order with the authorized signature prior to invoicing. Office staff personnel do not have the authority to approve work orders. Classic is not responsible for payment for any work outside of the original scope of work that is not approved by a proper change order.
- 22. SETTLEMENT OF DISPUTES.** In the event that a Classic customer asserts any complaint based – in whole or in part – upon any allegation of defective, non-conforming, or incomplete work by Subcontractor, then Subcontractor assigns to Classic sole and exclusive authority to negotiate and resolve the complaint with the customer, including the express, sole, and exclusive authority to offer any discounts, price reductions, or refunds to the customer. In the event that Classic grants such a discount, price reduction, or refund to the customer, Subcontractor further agrees that Classic may deduct the full amount of such discount, price reduction, or refund from any invoices or other payments due to Subcontractor on that job, or any other job for Classic. In the event Subcontractor has been paid in full by Classic prior to the time such discount, price reduction, or refund is granted, then Subcontractor agrees to repay to Classic the full amount of the discount, price reduction, or refund.
- 23. MISCELLANEOUS.**
- (a) Subcontractor must cooperate with other subcontractors and suppliers so that Subcontractor's work is not impeded, and all subcontractors and suppliers must go to the Work Premises as necessary to assure performance of all contracts for construction of improvements on the property.
 - (b) **CONSUMPTION OF ALCOHOLIC BEVERAGES OR USE OF ILLEGAL DRUGS IS PROHIBITED ON ANY WORK PREMISES.**
 - (c) Subcontractor must keep all Work Premises and adjoining ways free of waste material and rubbish caused by Subcontractor's work or that of its subcontractors and suppliers. Subcontractor must remove all waste material and rubbish on termination of the Work, together with Subcontractor's tools, equipment, and machinery. Subcontractor must, upon completion of the Work, conduct general clean-up operations, including the cleaning of all glass surfaces, paved streets and walks, steps, and interior floors and walls, as applicable.
 - (d) Subcontractor may not assign this Contract or any payments due hereunder, nor sublet this Contract or any portion hereof, without Classic's written consent.
 - (e) Classic reserves the right to order work changes in the nature of additions, deletions, or modifications without invalidating this Contract.
 - (f) There are no other agreements, oral or written, between Classic and Subcontractor other than this Contract and the documents it references.
 - (g) Notices to Classic must be sent to 406 S Yale Dr., Garland, TX 75042. Notices given by Classic to Subcontractor may be given orally or by mail to Subcontractor's address as listed in this Contract.
 - (h) If any provision of this Contract is held to contravene or be invalid under the laws of the State of Texas or any applicable federal law, such contravention or invalidity shall not affect the remainder of this Contract, but this Contract shall thereupon be construed as if not containing such clause or provision, and the rights and obligations of Classic and Subcontractor will be construed and enforced accordingly.
 - (j) This Contract supersedes any and all prior agreements and contracts between Classic and Subcontractor.
 - (k) All details of the Work are confidential, and Subcontractor must not discuss them with or disclose them to any third party.
- 24. FAILURE TO ACHIEVE COMPLETION OF WORK.** If Subcontractor fails to achieve substantial completion of work in accordance with the project schedule, Classic shall be entitled to: (a) retain the final payment due to Subcontractor; (b) Classic reserves the right to propose payment arrangements with the Subcontractor; or (c) if further payment is due to the Subcontractor under the same or different work order(s), Classic reserves the right to withhold any owed amount in the event a separate Subcontractor is hired to complete and/or repair the original's Subcontractor's work. Classic reserves the right to retain 5% for all jobs and/or contracts that exceed \$5000 for

warranties coverage. In regards to the Roofing Retainage %, see #19 of this agreement.

25. INDEMNIFICATION BY SUBCONTRACTOR/SUPPLIER. Subcontractor's Performance. With the exception that this Section 25 shall in no event be construed to require Indemnification by Subcontractor to a greater extent than permitted under the law and public policy of the State of Texas, Subcontractor shall defend (with counsel of Contractor's choice), protect, indemnify and hold harmless Owner and Contractor, including their officers, directors, agents, employees, affiliates, parents, and subsidiaries, and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, losses or liabilities in law or in equity, of every kind and nature whatsoever ("Claims") arising out of or in connection with Subcontractor's operations to be performed under this Agreement including, but not limited to:

- (a) Personal Injury claims, including, but not limited to, bodily injury, emotional injury, sickness or disease, or death to persons, including, but not limited to, any employees or agents of Subcontractors, Owner, Contractor or any other subcontractor and/or damage to property of anyone (including loss of use thereof), caused or alleged to be caused in whole or in part of any act or omission of Subcontractor or anyone directly employed by Subcontractor or anyone for show acts Subcontractor may be liable regardless of whether such personal injury or damage is caused by a party indemnified hereunder unless caused solely by the party(ies) indemnified hereunder;
- (b) Property damage or injury of any kind or nature whatsoever caused by, resulting from, arising out of or occurring in connection with the execution of the work by Subcontractor or in any other way related to Subcontractor's performance of this Agreement, including but not limited to any loss arising from the breach of an implied warranty at law, except to the extent, if any, expressly prohibited by statute, should any claims for such damage or injury be made or asserted, whether or not such claims are based upon Contractor's and/or Owner's alleged active or passive negligence or participation in the wrong or upon any alleged breach of any statutory duty or obligation on the part of the Contractor and Owner unless caused solely by the negligence of Owner or Contractor;
- (c) Penalties imposed on account of the violation of any law, order, citation, rule, regulation, standard, ordinance or statute, caused by the action or inaction of Subcontractor;
- (d) Infringement or any patent rights which may be brought against the Contractor or Owner arising out of Subcontractor's work;
- (e) Claims and liens for labor performed or materials used or furnished to be used on the job, including all incidental or consequential damages resulting to Contractor or Owner from such claims or liens;
- (f) Any violation or infraction by Subcontractor of any law, order, citation, rule, regulation, standard, ordinance or statute in any way relating to the occupational health or safety or employees, including, but not limited to, the use of Contractor's or others' equipment, hoists, elevators, or scaffolds.

Each of the foregoing paragraphs in this Section creates independent duties on the part of Subcontractor which extend to all claims, liability, losses, damages, costs, and expenses (including reasonable attorney's fees) arising before or after the completion of the work performed by Subcontractor while this Agreement is in force as well as after its termination.

Such indemnity provisions apply regardless of any active and/or passive negligent act or omission of Owner or Contractor or their agents or employees. Subcontractor, however, shall not be obligated under this Agreement to indemnify Owner or Contractor for claims arising from the sole negligence or willful misconduct of Owner or Contractor or their agents, employees or independent contractors who are directly responsible to Owner or Contractor. It is the intent of parties that this section creates a "type one" indemnity agreement inuring to the benefit of Contractor and Owner as defined by Texas Law.

25.1.2 Subcontractor shall:

- (g) At Subcontractor's own cost, expense and risk, defend all Claims that may be brought or instituted by third persons, including, but not limited to, governmental agencies or employees of Subcontractor, against Contractor or Owner or their agents or employees or any of them;
- (h) Pay and satisfy any judgement or decree that may be rendered against Contractor or Owner or their agents or employees, or any of them, arising out of any such Claim; and/or
- (i) Reimburse Contractor or Owner or their agents or employees for any and all legal expense incurred by any of them in connection herewith or in enforcing the indemnity granted in this Section 25.

25.2 Risk of Loss:

All work covered by this Agreement done at the site or in preparing or delivering materials or equipment, or any or all of them, to the site shall be at the risk of Subcontractor exclusively until the completed work is accepted by Contractor.

25.3 No limitations of Liability:

The indemnities set forth in this Section 25 shall not be limited by the insurance requirement set forth in Section 8.

26. TERMINATION. Classic has the right to terminate this Contract at any time, without prior notice and effective immediately upon notice to Subcontractor, should Subcontractor breach this Contract in any way. Classic has the right to termination this Contract without any breach by Subcontractor (what is commonly known as termination without cause) at any time upon providing Subcontractor 7-day advance notice of the intent to terminate.

27. ATTORNEY'S FEES. In the event of any legal action arising from a breach of this Contract, the prevailing party is entitled to recovery attorney's fees.

28. GOVERNING LAW AND VENUE. This Contract is governed by Texas Law. Any lawsuit concerning this Contract must be filed in Dallas County, Texas.

29. INCORPORATION AND ACCEPTANCE. THE TERMS OF THIS AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE TO EACH AND EVERY CONTRACT DOCUMENT (E.G., SCOPE OF WORK, CHANGE ORDER, WORK ORDER, ETC.) BETWEEN CLASSIC AND SUBCONTRACTOR. PERFORMANCE UNDER ANY CONTRACT DOCUMENT INDICATES ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AGREEMENT.

CLASSIC CONSTRUCTION'S PAYMENT POLICY

The following is a general guideline for work done by Subcontractors at Classic Construction. If these guidelines are not followed, the Subcontractor will experience **delays in payment**.

1. A Work Order is issued to the Subcontractor by Classic's Production Department.
2. a. The Subcontractor performs the scope of work outlined in the Work Order, recording the work by taking digital pictures** before, during, and after while work is in progress and at the completion of the work. Pictures are to be submitted with your invoice to invoices@classicconstruction.com
 - **Digital pictures are required on every job. They should be taken showing in detail the repair area throughout the process. A good picture should be from a few feet back to get the entire work area in the shot. There should be a picture for each step in the repair process, and a final picture of the repaired area from a few feet back. **Digital Pictures are a requirement and without the pictures, a Subcontractor's invoice will not be paid.**
- b. The Subcontractor should notify Classic's Production Department at **972-437-0909** when their work has been completed. Classic's Production Department will schedule a Project Manager to inspect the completed work.
- c. Classic's Production Department inspects the work done, they either approve the work or develop a punch-list for the areas that the Subcontractor is to correct. If a punch-list is generated, the Subcontractor will have 48 hours to complete all of the areas included in the punch-list. Upon completion of the punch-list, the Subcontractor should notify the Production Department to have it re-inspected.
 - If the Subcontractor doesn't complete the punch-list, Classic reserves the right to contract the work out to another Subcontractor and all costs incurred by Classic due to the failure of Subcontractor to complete the punch-list shall be deducted from the first available payment due, and if no such payment is due, then Subcontractor shall be responsible for payment to Classic (Section 11 (f) of Subcontractor Agreement).
3. Upon completion of all work and/or punch-lists, Classic's Production Department must re-inspect and verify if all work done has passed inspection. **The Subcontractor may submit their invoice with any additional pictures to invoices@classicconstruction.com**
4. Classic's Production Department will notify the Account Managers / Estimators of the inspections results. If inspections have passed, Account Managers / Estimators are to give Final Approval of the Subcontractors invoice and submit to Accounts Payable for processing.
5. Classic will submit its billing to the customer for the completed job.
6. Upon the Customer's Payment to Classic, Accounts Payable will pay the Subcontractor for their invoice related to the job completed.

If the above conditions are performed accordingly, payment should be available to Subcontractor within 15 days to 30 days.

CLASSIC'S MINIMUM INSURANCE REQUIREMENTS AND LIMITS CHECKLIST

General Requirements

For each policy type, Classic Construction & Restoration, Inc. is to be notified of cancellation at least 30 days prior to the cancellation effective date.

All sub-contractor insurance requirements apply to any sub-contractor or person hired or used by the sub-contractor.

A certificate of insurance is to be provided prior to the start of work. The certificate is to either state that additional insured status for ongoing and completed operations is included or be accompanied by copies of the endorsements confirming these coverages are in place.

- The certificate is to state that Classic Construction & Restoration, Inc. is additionally insured; Classic Construction & Restoration, Inc. is to be included as a certificate holder.

The Sub-Contractor Packet is to be signed by the Sub-Contractor prior to the start of work.

Commercial General Liability (CGL)

At a minimum, the sub-contractor's CGL policy limits are to be at least \$1,000,000 each occurrence, \$2,000,000 general aggregate, and \$2,000,000 products-completed operations aggregate to avoid being considered an "inadequately insured sub-contractor".

The sub-contractor's CGL coverage is to provide broad coverage with no exclusions, such as exclusions for sub-contractor's work (ISO form CG2294).

The sub-contractor's general aggregate is to apply on a per-project basis.

The contract is to specify additional insured status for *ongoing* operations via ISO form CG 2010 or equivalent coverage, PLUS..

The contract is to specify additional insured status for *completed* operations via ISO form CG 2037 or equivalent coverage.

The contract is to require the additional insured coverage to respond on a primary and non-contributory basis, via ISO form CG 2001 or equivalent.

The personal and advertising injury coverage limit is to be at least \$1,000,000.

Recommend coverage doesn't include limitation / endorsement that would eliminate the sub-contractor from working in Residential, Townhomes and Condos properties.

Auto Liability

At a minimum, the sub-contractor's auto liability policy limits are to be at least \$1,000,000 combined single limit (CSL) or \$1,000,000 / \$1,000,000 split limits.

Workers' Compensation / Employer's Liability or Workers' Comp Waiver DWC-83

At a minimum, the sub-contractor is to provide evidence of workers' compensation / employers' liability coverage with a limit of bodily injury (BI) by accident of at least \$100,000 per accident; the limit of BI by disease should be at least \$500,000 per policy and \$100,00 per employee. These minimum limits are to apply in any state in which work is being done under the contract.

The contract is to include a waiver of subrogation if applicable.

Umbrella Liability: Recommended but not required.

At a minimum, the sub-contractor's umbrella coverage limit is to be at least \$1,000,000.