



**SUBCONTRACTOR TERMS AND CONDITIONS
REVISED 6/1/2009**

Manner and Scheduling of Work

All Work is to be done in a prompt, thorough, and workmanlike manner according to the Plans, Specifications, Change Orders (if any), all applicable building codes, statutes, and other municipal requirements. Any Work not meeting these requirements shall be promptly corrected by Subcontractor at Subcontractor's expense. The Work also includes all necessary tools, equipment, supervision, machinery, scaffolding, and related items to be furnished by Subcontractor unless specifically stated otherwise. Subcontractor's starting and continuing with the Work shall constitute acceptance of the project's readiness and suitability for the Subcontractor's Work.

Subcontractor shall comply with the Builder's schedule for completing the Work, recognizing that changes may be made in the Builder's schedule which the Subcontractor shall comply with, provided that reasonable notice has been given to the Subcontractor. Subcontractor shall coordinate his/her Work with all other Subcontractors and Suppliers on the project so as not to delay or damage their performance on the project.

Changes

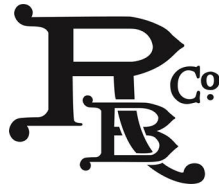
Any and all changes to the Work and/or Subcontract Amount shall be made only by a written Change Order issued by Builder, prior to the work described being commenced. Builder shall not be liable for any costs, damages, fees, or other charges issued by Subcontractor in connection with changed and/or additional work performed without a Builder-issued Change Order. Subcontractor shall not act upon any direction received by the Owner, other Subcontractors or Suppliers, or any other agent without receiving a written Change Order from Builder.

Payments and Lien Waivers

Subcontractor shall submit all invoices directly to Builder, and all such invoices shall have a unique reference number. All invoices shall have terms of at least Net 30 Days, regardless of the terms appearing on a specific invoice. Progress invoices (draws) shall be accepted provided that the amount of any progress invoice shall be less than or equal to the amount of completion of the Work being invoiced. Due to the policy of Title Companies not disbursing funds for items that are not complete or not installed, no deposit invoices shall be accepted by Builder unless specifically agreed to in writing prior to the execution of this Agreement. Subcontractor shall be held to the same standard as Builder as it relates to the disbursing of funds held by a Title Company.

In the event a payment is delinquent by more than sixty (60) calendar days (as determined by when the Builder actually received the specific invoice, not by the date appearing on an invoice), and provided that Subcontractor has issued three (3) business days written notification of such delinquency, Subcontractor shall retain the right to temporarily stop Work until such time as Subcontractor receives payment. No payment or payments during the progress of the Work, or any occupancy of the Property, shall be construed as an approval or acceptance of the Work or any portion thereof, or a waiver of any rights under this or any other agreement, or of any warranty.

Subcontractor shall provide lien waivers with each payment, sufficient to cause the Title Company to disburse funds and subject to the Title Company's requirements. Subcontractor shall either submit each waiver requested by Builder directly to the Builder, or may submit the original waiver directly to the Title Company provided it supplies the Builder with an exact copy of said waiver for its records. Should materials be delivered to the project site by any means other than the Subcontractor's owned vehicle, Subcontractor shall provide to Builder and/or Title Company a lien waiver from each of the Subcontractor's material suppliers who delivered materials to the project site on behalf of the Subcontractor.



Failure to Complete, Default, and Cancellation

If the Subcontractor at any time fails to strictly comply with all of the provisions of this Agreement, and/or fails to furnish satisfactory materials and/or labor in accordance with the requirements of this Agreement, Builder shall provide a written notice to Subcontractor informing them of such condition(s). If within three (3) business days of receipt of such written notice the Subcontractor has not remedied such condition(s), then Builder shall have the right to terminate this Agreement with cause and retain that portion of the Subcontractor's price that reflects the Builder's actual costs for completing the Work under this Agreement. Builder retains the right to pursue any claims against the Subcontractor in addition to this paragraph.

If Subcontractor shall fail to sign and return a true and exact executed copy of this Agreement within five business (5) days of the date of the Agreement, Builder at his sole option shall have the right to cancel this Agreement. Builder further reserves the right, after three (3) business days written notice, and without prejudice to any other remedy it may have, to cancel this Agreement. If Builder cancels this Agreement, Subcontractor shall only be entitled to payment for Work completed through the date of cancellation. If the Owner or Builder terminates the Project, Builder shall give notice of same to Subcontractor, and Subcontractor shall be entitled to compensation for Work completed through the date of termination, subject to the Owner paying the Builder for such Work.

If Subcontractor shall be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a Receiver should be appointed on account of its insolvency, then Builder may, without prejudice to any other right or remedy and after giving Subcontractor three (3) business days written notice, terminate this Agreement. Upon termination, Builder shall have exclusive physical possession of all materials present on the project site and retain that portion of the Subcontractor's price that reflects the Builder's actual costs for completing the Work under this Agreement.

Should the Owner or Builder initiate any legal action in connection with the Project, without regard to Subcontractor's involvement or lack thereof in said legal action, Builder shall have the right to immediately stop Work and Subcontractor agrees that any payments will be frozen until such time that the legal action is resolved. Resumption of payments frozen in connection with legal action on the Project will be expressly conditioned on Builder receiving payment amount(s) from the Owner. Notwithstanding the foregoing, nothing in this paragraph shall in any way limit or affect any and all rights Subcontractor may have to file any lien against the Property.

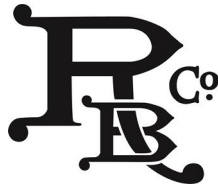
Status as Independent Contractor

It is agreed that the Subcontractor is an Independent Contractor, acting on his/her own and is not an employee of the Builder, and is not directly controlled by the Builder, or subject to the Builder's right to control, with regard to the specific details of how and when the Subcontractor completes the Work.

Safety and Cleanliness

Subcontractor shall keep a neat and clean job site, free of any safety hazards and shall follow all posted job site rules and requirements. Subcontractor agrees to clean up all debris, trash, and refuse generated by Subcontractor at the end of each workday, unless stated otherwise in the applicable Specification Section awarded. Any waste material or debris shall be placed in a container provided by Builder or in an area designated by Builder. If the Subcontractor shall fail to comply with the above after receiving a notice from the Builder, within three (3) business days after receiving such notice the Builder shall have the right to back-charge Subcontractor for the actual costs of clean up.

Subcontractor shall follow all OSHA regulations at all times, and is responsible for the evaluation of safety issues pertaining to their Work, and understands that the cost of safety compliance is incorporated into the Subcontractor's



price for the Work. In the event a Subcontractor does not follow best safety practices and the Builder is fined, Subcontractor shall indemnify Builder from any and all fines imposed on Builder as a result of non-compliance.

Subcontractor shall notify Builder in writing of any unsafe conditions within the direct control of the Builder as soon as such conditions are discovered.

No smoking (or any tobacco product), food, or drink is allowed inside the project. Alcohol and/or any mind-altering substance is absolutely prohibited on the project site, nor will the Subcontractor or any of its employees be permitted to remain on the project if it is determined by Builder that said person is under the influence of alcohol and/or drugs.

Lead-Safe Work Practices (WI DHS 163)

Subcontractor agrees to follow all requirements of DHS 163 (the Wisconsin version of the EPA's Repair, Renovation, and Painting rule) for any residential project built before 1978. For Demolition, Drywall, Painting, and Carpentry subcontractors, by signing this Agreement Subcontractor represents that it has all necessary training and certifications required by said rule, and will further indemnify Builder against any and all claims, demands, liabilities, losses, expenses, suits and actions (including court costs and attorney's fees) for or on account of or relating to Work performed by Subcontractor that is covered by DHS 163.

Other Subcontractors (including but not limited to Overhead Door, Flooring, HVAC, Plumbing, and Electrical contractors) may be required to follow the provisions of DHS 163; prior to performing any Work, Subcontractor shall be solely responsible for evaluating the requirements and shall ensure compliance with all aspects of DHS 163 during the time the Subcontractor's Work is performed.

Warranty

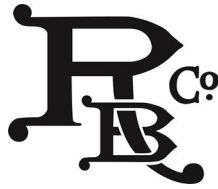
Subcontractor warrants and agrees that the Work performed by Subcontractor complies with the Plans, Specifications, all applicable building codes, and all applicable statutes for a period of not less than one (1) year from the date of substantial completion as determined by Builder (the "Warranty Period"). Subcontractor agrees to make any and all repairs and to correct all defects in the Work within one (1) week as directed by Builder. Should Builder deem a repair or defect an Emergency, then Subcontractor shall make repairs and/or corrections within one (1) calendar day of notice by Builder. Subcontractor agrees to be responsible for all damages, loss, expense, and repairs which may occur during construction or during the Warranty Period that is directly attributable to the Subcontractor's incomplete or defective Work. Should the Subcontractor fail to cure any repair or defect within the timeframes as stated above, Builder shall have the right to cause any or all such repairs, corrections, and/or replacements of the defective items or Work to be made and to charge the costs of such repairs directly to the Subcontractor.

Insurance

Within five (5) business days after the execution of this Agreement, and prior to commencement of the Work, Subcontractor shall deliver to Builder, at Subcontractor's sole expense, a Certificate of Workman's Compensation in the statutory minimum of \$500,000.00, and a Certificate of Insurance in the minimum amount of \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate. All Certificates shall contain a ten (10) day notice of cancellation clause. Builder shall be named as an additional insured on all certificates requested.

Assignment

This Agreement shall not be assigned or subcontracted by Subcontractor, in whole or in part, without the express prior written consent of the Builder, which may be withheld at the Builder's sole discretion. Any such assignment or subcontract, even if consented to by Builder, may be voidable at the Builder's discretion.



Licenses, Permits, and Taxes

Except for the Building Permit, Occupancy Certificate, and Erosion Control permits, Subcontractor shall obtain, furnish and provide, at Subcontractor's sole expense, all permits, licenses, certificates, fees, and inspections required in connection with the Work. Subcontractor represents that Subcontractor has all licenses required under applicable

federal, state, and local laws and regulations and that such licenses are in full force and effect. Subcontractor shall provide its federal tax identification number and/or W-9 tax form information upon request by Builder.

Subcontractor shall be solely responsible for the collection and payment of any Sales Taxes, and Subcontractor further warrants that the Subcontract Amount contains any such Sales Taxes, if applicable.

Subcontractor has the status of an employer as defined by the Unemployment Compensation Act and all similar acts of the national government, including all Social Security Acts. Subcontractor will withhold from its payrolls as required by law or government regulation and shall have full and exclusive liability for the payment of any and all taxes or contributions for unemployment insurance, workers compensation, and retirement benefits that may be required by federal and state governments.

Conflicting Documentation

In the event of conflict between information shown on Plans and Specifications, the Specifications shall supersede. Approved Change Orders shall supersede all previous directions on Plans and/or Specifications, with the most recently dated Change Order superseding previous Change Orders. Should Plans and/or Specifications show a conflict not addressed by a Change Order, please contact the Project Manager as shown on the first page of this Agreement immediately.

Indemnification

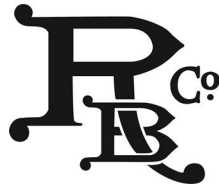
Subcontractor agrees to indemnify Builder against and hold Builder harmless for any and all claims, demands, liabilities, losses, expenses, suits and actions (including court costs and attorney's fees) for or on account of or relating to any injury to any person, or any death, or any damage to any property, which may arise (or which may be alleged to have arisen) out of or in connection with the Work (the "Claim"), to the extent of the Subcontractor's negligence. Subcontractor agrees to reimburse Builder upon demand for all amounts the Builder may choose, or otherwise be required, to pay for the Claim. Builder shall be entitled to withhold and set off from payment otherwise due pursuant to this or any other agreement for any personal injury, death, or property damage resulting from the Subcontractor's performance of the Work.

Exclusivity

Nothing in this Agreement shall be deemed or construed to create an exclusive relationship between Builder and Subcontractor unless otherwise agreed to in writing and signed by both parties.

Arbitration/Mediation

Any dispute arising out of the construction of the structure referred to in this Agreement or relating to the interpretation of this Agreement shall be decided by mediation, or if necessary, final and binding arbitration. Mediation and/or arbitration shall be in accordance with the rules established by the Metropolitan Builder's Association of Greater Milwaukee. Should any party refuse or neglect to appear or to participate in the arbitration proceedings, the Arbitrator is empowered to decide the controversy in accordance with whatever evidence is presented. The Arbitrator is authorized to award any party or parties such sums as the Arbitrator shall deem proper for the time, expense, and trouble of



arbitration, including arbitration and attorney's fees. Either party is entitled to use mechanic's lien proceedings concurrently with arbitration proceedings and neither party will be held to have waived the right to arbitrate by virtue of recording a mechanic's lien.

Enforceability

If any part of this Agreement is found to be unenforceable, it shall not affect the enforceability of the remainder of this Agreement. The failure of either party to enforce any term or condition of this Agreement shall not be deemed to constitute a waiver of any breach or of any right, claim, term, or condition of this Agreement.

This Agreement shall be binding on the Parties, their successors, and/or permitted assigns. This Agreement contains the entire agreement among the Parties, and supersedes all prior understandings, agreements, negotiations and

representations, written and oral, not contained herein. This Agreement may be executed in any number of counterparts and by facsimile copy, each of which shall be deemed an original and all of which taken together shall comprise a single instrument.