



P.O. Box 25051 Winston Salem, NC 27114 • Phone: 336-721-3420 • Fax: 336-721-3421

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## Subcontractor Agreement

### SUBCONTRACTOR:

**John Doe Construction Company**

\_\_\_\_\_  
**Company Name**

John Doe

\_\_\_\_\_  
**Contact Person**

XXXXXX

\_\_\_\_\_  
**Address**

XXXXXX, XX

\_\_\_\_\_  
**City, State, Zip**

(XXX) XXX-XXXX

\_\_\_\_\_  
**Phone**

(XXX) XXX-XXXX

\_\_\_\_\_  
**Fax**

**XXX**

\_\_\_\_\_  
**Job Number**

XXX

\_\_\_\_\_  
**Subcontract Number**

XXXXXX

\_\_\_\_\_  
**Job Name**

123 John Doe Lane

\_\_\_\_\_  
**Job Address**

John Doe

\_\_\_\_\_  
**Project Manager / Superintendent**

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Subcontractor Initials\_\_\_\_\_

This agreement is made and effective DATE, by and between W.C. Construction Company, LLC (Contractor) and John Doe Construction Company (Subcontractor) to perform the work identified in Article 2 in accordance with the project documents.

**ARTICLE 1 CONTRACT PAYMENT:** The Contractor agrees to pay Subcontractor for satisfactory performance of Subcontractor's Work the sum of \$ XXX.XX (Contract Amount).

On or before the 25<sup>th</sup> of each month, Subcontractor shall submit to Contractor, in a form required by Contractor, a written Requisition of Payment showing the proportionate value of Work installed to date, from which shall be deducted: (a) retainage of 10%, (b) the aggregate of all previous payments and (c) all charges for services, materials, equipment, and other items furnished by Contractor of chargeable to Subcontractor, in respect to this work.

Progress payments, as defined above, shall be made to Subcontractor for Work satisfactorily performed no later than seven (7) days after receipt by Contractor of payment from Owner for Subcontractor's Work. Final payment of the balance due shall be made to Subcontractor no later than twenty (20) days after receipt by Contractor of final payment from Owner for Subcontractor's Work. These payments are subject to receipt of such lien waivers, affidavits, warranties and guarantees required by the Contract Documents or Contractor.

**ARTICLE 2 SCOPE OF WORK:** Subcontractor agrees to commence Subcontractor's Work herein described upon notification by Contractor, and to perform and complete such Work in accordance with Contract Documents and under the general direction of Contractor in accord with Contractor's schedule. This shall include all work necessary or incidental to complete the following:

**ARTICLE 3 UNIFORM COMMERCIAL CODE:** This order is governed by the uniform commercial code as adopted in the situs of the project. If the code had not been adopted in the situs of the project, then the U.C.C. as adopted in the state of North Carolina shall govern.

**ARTICLE 4 SCHEDULE OF WORK:** Time is of the essence. Subcontractor shall provide Contractor with any requested scheduling information of Subcontractor's Work. The Schedule of Work, including that of this Subcontract shall be prepared by Contractor and may be revised as the Work progresses. Subcontractor recognizes that changes may be made in the Schedule of Work and agrees to comply with such changes without additional compensation. Subcontractor shall coordinate its work with all other contractors, and suppliers on the Project so as not to delay or damage their performance, work, of the Project.

**ARTICLE 5 CHANGES:** Contractor, without nullifying this Agreement, may direct Subcontractor in writing to make changes Subcontractor's Work. Adjustment, if any, in the contract price or contract time resulting from such changes shall be set forth in a Subcontract Change Order pursuant to the Contract Documents.

**ARTICLE 6 FAILURE OF PERFORMANCE:** Should Subcontractor fail to satisfy contractual deficiencies within three (3) working days from receipt of Contractor's written notice, then the Contractor, without prejudice to any right or remedies, shall have the right to take whatever steps it deems necessary to correct said deficiencies and charge the cost thereof to Subcontractor, who shall be liable for payment of same, including reasonable overhead, profit and attorneys fees.

**ARTICLE 7 INSURANCE:** Subcontractor shall at all times during the performance of the Work, carry and keep in force at its own expense:

Subcontractor Initials\_\_\_\_\_

- A** Worker's Compensation Insurance as required by statute and Employer's Liability with the following minimum limits of liability:
  - a) \$500,000.00 each accident
  - b) \$500,000.00 disease policy limit
  - c) \$500,000.00 disease each employee
- B** Comprehensive General Liability and Property Damage Insurance with the following minimum limits of liability:
  - a) \$500,000.00 per occurrence
  - b) \$500,000.00 general aggregate
  - c) \$500,000.00 products-completed operations
  - d) \$500,000.00 Personal injury
  - e) \$100,000.00 fire damage-any one fire
  - f) \$5,000.000 medical payments
- C** Automobile insurance with the following minimum limits of liability:
  - a) \$100,000.00 bodily injury per person
  - b) \$300,000.00 bodily injury each accident
  - c) \$100,000.00 property damage each accident

**ARTICLE 8 INDEMNIFICATION:** To the fullest extent permitted by law, Subcontractor shall indemnify and defend and hold harmless Owner, Engineer/Architect, Engineer's/Architect's consultants, and Contractor from all damages, losses, or expenses, including attorneys fees, from any claims of damages for bodily injury, sickness, disease, or death, or from claims for damage to tangible property. This indemnification shall extend to claims resulting from performance of this Subcontract and shall apply only to the extent that the claim or loss is caused in whole or in part by any negligent act or omission of Subcontractor or any of its agents, employees, or sub-tier subcontractors. This indemnity shall be effective regardless of claims or losses that are primarily caused by the Engineer/Architect, or Engineer's/Architect's consultants performance or failure to perform professional responsibilities.

**ARTICLE 9 WARRANTY:** Subcontractor warrants its work against all deficiencies and defects in materials and/or workmanship and agrees to satisfy same without cost to Owner of Contractor for a period of one (1) year from the date of Substantial Completion of the Project of per Contract Documents, whichever is longer.

**ARTICLE 10 COMPLIANCE WITH LAWS:** Subcontractor shall comply with all federal, state and local laws and regulations. Contractor has a policy of equal employment opportunity without regard to race, color, national origin, sex, religion, handicap or status as a disabled Vietnam veteran. Subcontractor shall, at its own expense, conform to the requirements of the Occupational Safety and Health Act of 1970 and Construction Safety Act of 1969 and all standards which have been or shall be promulgated by the parties or agencies which administer such Acts. Subcontractor shall comply with said requirements, standards and regulations, and require and be directly responsible for compliance therewith on the part of its agents, employees, materialmen and sub-tier subcontractors; and shall directly receive penalties which may be incurred by reason of its failure or failure on the part of its agents, employees, materialmen of sub-tier subcontractors, to so comply.

**ARTICLE 11 LIEN WAIVERS:** Prior to disbursement of payment under this Contract, the undersigned agrees to execute the appropriate lien waivers for the benefit of W.C. Construction Company, LLC and the project Owner.

Subcontractor Initials\_\_\_\_\_

**ARTICLE 12 VALIDITY OF PROVISIONS:** In the event any Section or any part or portion of any Section of this order shall be held to be invalid, void or otherwise unenforceable, such holding shall not affect the remaining part of portions of the Section, or any Section hereof.

**ARTICLE 13 SAFETY:** All subcontractors are required to adhere to OSHA Safety Regulations. To include, but not limited to the following; hard hats, safety glasses, long pants, shirts with 4” or more sleeves, appropriate shoes etc.

**ARTICLE 14 CLEAN UP:** All Subcontractors shall be responsible for daily clean-up. Subcontractors shall place all debris resulting from this work in appropriate container or central location as directed by Contractor.

**ARTICLE 15 BILLING:** All invoices received in the offices of W. C. Construction Company, LLC by the 25<sup>th</sup> day of the month will be paid by the 25<sup>th</sup> (twenty-fifth) of the following month. All invoices received after 25<sup>th</sup> day of the month will be paid (with no interest) by the 25<sup>th</sup> (twenty-fifth) of the following month.

**ARTICLE 16 DEFAULT:** Subcontractor shall be in default of this Subcontract if, without limitation, it at any time:

- A. Fails to supply labor, materials, equipment, supervision, and other things required of it in sufficient quantities and of required quality to timely perform the Work;
- B. Fails to conform with the terms and conditions of this agreement;
- C. Becomes insolvent;
- D. Fails to promptly correct defective work;
- E. Fails to promptly pay its workers, agents, suppliers, or Subcontractors; or
- F. Any other failure to comply with any item of provision of this Subcontract, any Subcontract Document, or any term or provision of the Contract applicable to the Work.

Upon the occurrence of a default by the Subcontractor and after giving Subcontractor notice of default and forty-eight (48) hours within which to cure such as default, unless emergency or other conditions justify shorter or no notice, W.C. Construction Company, LLC, in addition to other available remedies, shall have the right to:

- 1. Require Subcontractor to utilize overtime labor and additional shifts at its own expense to overcome the consequences of any delay attributable to its default
- 2. Remedy the default by whatever means necessary to complete the Work by W.C. Construction Company, LLC or others and deducting the cost from any monies due to Subcontractor and recovering any deficiency from Subcontractor;
- 3. Withhold payment(s) otherwise due Subcontractor;
- 4. After giving Subcontractor an additional forty-eight (48) hours to correct its default, terminate this Subcontract without waiving or releasing any rights or remedies against Subcontractor, and/or
- 5. Recover from Subcontractor all losses, damages, penalties, fines, and all reasonable legal fees suffered or incurred by W.C. Construction Company, LLC as a result of Subcontractor’s default.

Subcontractor Initials\_\_\_\_\_

**ARTICLE 17 MISCELLANEOUS:**

- A.** Subcontractor shall be responsible for receiving, unloading, handling, storing, and protecting all materials required for the performance of its Work.
- B.** Before starting Work, Subcontractor shall examine the site and any previously installed work by other trades and report any visible defects in writing to W.C. Construction Company, LLC. Should W.C. Construction Company, LLC not receive any report, it is assumed that existing conditions are acceptable.
- C.** Subcontractor shall be responsible for all layouts for its Work.
- D.** Should Subcontractor not execute this Subcontract and furnish labor or materials or tools or equipment, etc. for the project, then such shall constitute acceptance of this Subcontract and its terms and conditions as if it were executed without any modifications.
- E.** Subcontractor shall be responsible for the performance, suitability and acceptance of all unspecified materials for its Work.
- F.** Subcontractor is responsible for its own telephone.
- G.** In the event that any provision of this Subcontract is unenforceable or invalid for any reason, such invalidity shall not affect the validity of the remainder of this Subcontract.
- H.** All of Subcontractor's actions in connection with the Project shall be as an independent contractor, and not an employee or agent of W.C. Construction Company, LLC.
- I.** Subcontractor and W.C. Construction Company, LLC agree that this Subcontract may be signed, delivered and stored by electronic means.

Subcontractor Initials\_\_\_\_\_

**SCOPE SHEET**

1. **XXXXXXXXXXXXXXXXXXXXXXXXX.**
2. **XXXXXXXXXXXXXXXXXXXXXXXXX.**
3. **XXXXXXXXXXXXXXXXXXXXXXXXX.**
4. **XXXXXXXXXXXXXXXXXXXXXXXXX.**
5. **XXXXXXXXXXXXXXXXXXXXXXXXX.**

Accepted this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**Company: John Doe Construction Company**

Signature: \_\_\_\_\_

Title : XXXXXXXXXX

**Company: W.C. Construction Company, LLC**

Signature: \_\_\_\_\_

Title: XXXXXXXXXX

Date: XXXX

Subcontractor Initials\_\_\_\_\_