



## SUBCONTRACTOR AGREEMENT

This agreement ("Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_,  
between **J.S. Lunsford Construction LLC** ("Contractor") and  
\_\_\_\_\_("Subcontractor").

WHEREAS, Subcontractor desires to perform work and/or services as a Subcontractor for the Contractor.

WHEREAS, Contractor desires to obtain the services of Subcontractor to perform specific work on a particular project, named in a separate Proposal or Work Order.

NOW, THEREFORE, in consideration of the forgoing premise, and their mutual agreements set forth herein, the parties hereto agree to the following:

1. **PROJECT.** Unless otherwise specified in the Proposal or Work Order, the Subcontractor agrees to furnish all materials, equipment and labor needed to complete the project in accordance with, but not limited to, the specifications of the Proposal or Work Order for each project.
2. **INSURANCE.** Prior to the start of Subcontractor's work, the Subcontractor shall obtain and maintain in full effect; and provide Contractor WRITTEN EVIDENCE of, Worker's Compensation Insurance, Employer's Liability Insurance, and Comprehensive General Liability Insurance. Insurance Certificate should name the Contractor (**J.S. Lunsford Construction LLC**) (**JSLC**) as an additional insured and/or loss payee. General Liability Insurance limits should be carried at no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Certificates of Insurance, on Acord 25-S form or equivalent, must be filed with JSLC before work commences.
3. **TAXES, LICENSES AND PERMITS.** The Subcontractor agrees to pay for all taxes incidental to their business including, but not limited to sales taxes and payroll related taxes as required by the United States government, the government of the State of Georgia, and local city and county jurisdictions. Subcontractor shall also obtain and maintain in good standing a contractor's license, where applicable, and provide Contractor WRITTEN EVIDENCE of such license. Subcontractor will also obtain permits as required by the local building code in the project county and/or city and provide Contractor WRITTEN EVIDENCE of such permits. Contractor will secure a General Building Permit. Subcontractor will be responsible to secure a separate permit (electrical, plumbing, HVAC), where applicable, as required by the locality of the project. All work performed by Subcontractor shall meet or exceed the building codes applicable to the project.
4. **SAFETY AND WELLNESS.** The Subcontractor agrees that he and/or his employees are properly trained and will abide by OSHA, EPA, STATE, LOCAL, and other health and safety regulations appropriate for the work, trade, or company's reason of business. In the event that Subcontractor is not trained or up to date with certifications, you are to notify Contractor immediately, so that Contractor can make the necessary concessions to help you, or find a replacement.
5. **TIME IS OF THE ESSENCE.** The Subcontractor agrees to perform the work in accordance with the schedule provided by the Contractor. Contractor will give a minimum of **TEN (10)** days notice as to the preferred commencement date of the Subcontractor's tasks. Subcontractor must begin work within **FIFTEEN (15)** days of such notice. Time is of the essence for the completion of the work described in this contract. It is anticipated by the parties that all work described herein will be completed within **THIRTY (30)** days of the actual date of commencement, and that any delay (excluding dividing the work into approved phases, natural disaster, severe weather, or other no-fault circumstances) in the completion of the work described herein shall constitute a material breach of this contract. In the case of delays that Subcontractor is deemed responsible for, the Subcontractor agrees to reduce the total contract price by **1%** for each day that tasks remain incomplete beyond the deadline described above.

6. **SCOPE AND RESPONSIBILITY.** Subcontractor will NOT be paid for additional work or changes under this contract unless approved and authorized in writing by Contractor or its agent prior to the work being performed or the change being made. The Subcontractor will be held responsible only for its installation and not for any pre-existing structural defects of the building. **Subcontractor is responsible for keeping the project site clean and for removing all debris resulting from their direct work from the project site.** Failure to comply will result in the Contractor having such work done at the cost of the Subcontractor and/or fine being issued to the Subcontractor.

7. **GUARANTEE.** The Subcontractor will guarantee its goods and services against defects of materials and work performed for a period of One (1) year after the date indicated on the Certification of Completion. Subcontractor further agrees to make any necessary corrections, repairs or replacements, at its own expense, within Five (5) days of notice from the Contractor or its agent.

8. **ASSIGNMENT.** This contract may not be assigned by the Subcontractor, under any circumstances, without prior written approval of the Contractor or its agent.

9. **RETAINAGE, DRAWS AND PAYMENTS.** At the discretion of the contractor, a ten percent (10%) retainage will be withheld from all payments; the Contractor agrees to pay the Subcontractor percentage draws in not less than 20% increments, if needed\*. Other arrangements will be considered at the sole discretion of the Contractor. In any case, final payment to the Subcontractor will not precede Contractor's final payment and total payments to Subcontractor will not exceed total payment to Contractor. Subcontractor will execute an Unconditional Waiver of Mechanics Lien upon receipt of any payment made in accordance with this agreement.

10. **INDEMNIFICATION.** Subcontractor shall indemnify, hold harmless and defend Contractor, its officers, directors, shareholders, employees, agents, and successors and assigns of and from any and all actions, causes of action, suits, proceedings, debts, dues, contracts, judgments, liabilities, accounts, expenses, losses, damages, claims, and demands whatsoever, in law or in equity, which may be alleged, claimed, brought and/or prosecuted by any person or entity, against Contractor in any way related to, arising out of, and/or incident to Subcontractor's performance, or lack thereof, of subcontracted work for the Contractor. The indemnity, hold harmless and defense provisions herein shall include all out of pocket expenses of the Contractor including related attorney fees.

11. **DAMAGES.** Any damages and replacement costs due to the negligence of another subcontractor shall be negotiated between the parties involved. J.S. Lunsford Construction LLC will not be responsible for compensating Subcontractor for damage from any other subcontractor. Subcontractor is responsible for all protection of existing work by other trades to prevent damages during the installation of another subcontractor's scope of work. It is the Subcontractor's responsibility to accept all substrates prior to installing its scope of work. All substrates are considered to be acceptable to the Subcontractor once installation has proceeded. All damages or unsatisfactory conditions resulting from another subcontractor performing work on the project will be reconciled between the subcontractors affected. JSLC is not responsible for any costs due to these conditions or resulting damages with the exception of work performed directly by JSLC.

12. **ARBITRATION.** Any dispute between the Subcontractor and Contractor regarding the terms or conditions of this agreement shall be submitted to binding arbitration. The demand for arbitration shall be filed in writing by the party demanding it with the other party. The arbitrator shall be chosen from a list of six "qualified" individuals provided by the American Arbitration Association of certified arbitrators. To be qualified, the individual must have at least five years experience in the construction industry as either an attorney or contractor. Each party will rate the individuals 1 through 6 (with "1" being the preferred individual) and the individual with the lowest rating shall be selected. The parties shall choose an arbitrator within 30 days after demanding arbitration. Any dispute regarding the choice of the arbitrator shall be decided by the probate judge of the project County. The decision of the arbitrator shall be binding on any court having jurisdiction. Each party shall pay one-half of the expense of the arbitration unless otherwise decided by the arbitrator. Each party shall have a limited right of discovery of any documents related to this Agreement and to

depose any witness for not more than one hour. All discovery shall take place within 30 days after the arbitrator is assigned. The arbitrator shall make all discovery decisions.

**13. MISCELLANEOUS.**

a. In the event of a need for legal enforcement of this agreement by Contractor, Subcontractor agrees to pay for all costs incurred by Contractor, including, but not limited to, actual attorney fees.

b. Subcontractor agrees to register for, and submit an affidavit to their use of, [E-Verify](#), the U.S. Department of Homeland Security's free employee eligibility service. E-Verify allows businesses to determine the eligibility of their employees to work in the United States. E-Verify is fast, free and easy to use – and it's the best way employers can ensure a legal workforce.

c. A separate Proposal and/or Work Order outlining the specific tasks that are to be performed, and, if applicable, specific materials and/or equipment to be installed, is hereby attached and made a part of this agreement.

d. This agreement sets forth the entire understanding of the parties hereto regarding the subject matter hereof.

**14. AGREEMENT.**

In witness hereof, the undersigned declare to have executed this agreement the day and date written above.

\_\_\_\_\_  
SUBCONTRACTOR

By \_\_\_\_\_

Date \_\_\_\_\_

**J.S. LUNSFORD CONSTRUCTION, LLC**

By: **James S. Lunsford**