

Montgomery Development Carolina Corp.

AGC #655 Standard Form of Agreement between Contractor and Subcontractor

EXHIBIT A

Do not alter or change this document in any way.

BILLING, INSURANCE & PAPERWORK REQUIREMENTS

INSURANCE CERTIFICATES. Furnish one (1) Certificate prior to the start of the work. The **Additional Insured and Certificate Holder** is Montgomery Development Carolina Corp. Minimum insurance limits, language, and cancellation is required per the "SAMPLE" below. Additional coverage may be required under separate cover. If the Subcontractor fails to obtain or maintain any insurance coverage required; the expense of such coverage may be charged to the Subcontractor or the Contract Agreement may be terminated without notice.

ACORD. CERTIFICATE OF LIABILITY INSURANCE				DATE (MM/DD/YY)
PRODUCER		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
INSURED Name And Address of Contractor		INSURERS AFFORDING COVERAGE		
		INSURER A: Sample Insurance Company		
		INSURER B:		
		INSURER C:		
		INSURER D:		
		INSURER E:		
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.				
TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A <input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				EACH OCCURRENCE \$ 1,000,000
				FIRE DAMAGE (Any one fire) \$ 50,000
				MED EXP (Any one person) \$ 5,000
				PERSONAL & ADV INJURY \$2,000,000
				GENERAL AGGREGATE \$2,000,000
				PRODUCTS - COMP/OP AGG \$2,000,000
GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC				
A <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
				BODILY INJURY (Per person) \$
				BODILY INJURY (Per accident) \$
				PROPERTY DAMAGE (Per accident) \$
<input type="checkbox"/> GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
				OTHER THAN AUTO ONLY: EA ACC \$
				AGG \$
A <input checked="" type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				EACH OCCURRENCE \$ 2,000,000
				AGGREGATE \$ 2,000,000
				\$
				\$
				\$
A WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
				E.L. EACH ACCIDENT \$ 500,000
				E.L. DISEASE - EA EMPLOYEE \$ 500,000
				E.L. DISEASE - POLICY LIMIT \$ 500,000
OTHER				
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS				
Project: Description of work being performed. Add'l Insured-Montgomery Development Carolina Corp.;Project Owner and any "Other Party"as required by the Contract on the General Liab.;Auto&Umbrella Policies with respects to this project only.				
This insurance shall be primary over any all other collectible insurance. Waiver of Subrogation applicable on all policies.				
Thirty(30)days notice of cancellation or material change required.				
CERTIFICATE HOLDER		Y	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION
Montgomery Development Carolina Corp. 300 Market St., Suite 200 Chapel Hill NC 27516				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL NOT RELIEVE THE INSURER OF ITS OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

FAX THIS
SAMPLE
PAGE
DIRECTLY
TO YOUR
INSURANCE
AGENT

SAMPLE

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PAYMENT PROCEDURES. Use AIA Documents G702 and G703 only. **No Other Document is acceptable. Payment Applications received in our office by the 25th day of the month are processed by the 25th day of the following month provided the Subcontractor has properly submitted the Certificate of Insurance, Application for Payment, Waiver and Release of Lien and other required documents.** The Subcontractor agrees to accept the risk that it may not be paid for work performed to the extent that the Contractor is not fully paid for any reason whatsoever. All payments by the Contractor to the Subcontractor are contingent upon prior receipt of payment by the Contractor from the Owner, enforced only to the extent permitted by law.

Early payment requests by subcontractor are subject to a five percent (5%) discount; including joint or direct checks to suppliers. Note: Joint Check agreements must be approved prior to award of contract. No joint check agreements will be approved after award. Joint check agreements are subject to a 10% discount on sub-contractor contracts.

All paperwork submitted must be originals (no copies or faxes).

Use the forms provided by the Montgomery for each project to avoid delay of payment. The Owner will reject documents that have been altered, are not notarized, or are not signed by an officer of the company.

The following list of requirements needs to be met to expedite your Applications for Payment.

1. **First Application for Payment** is for ninety percent (90%) of work completed to date accompanied by your notarized Lien Waiver, Warranty, Tax ID Statement, and list of vendors and lower tier subcontractors proposed for the project. If your first payment application exceeds fifty percent (50%) of your total subcontract, provide lower tier lien waivers. A maximum of 50% may be paid until the proportionate amount of lower tier waivers are received. The Contractor's field superintendent must approve the work and percent complete.
HVAC subs must list a line item on your schedule of values for a certified air balance report.

2. **Second & consecutive Applications for Payment** are for ninety percent (90%) of the work completed to date accompanied by your notarized lien waiver **and** notarized lien waivers from each of your vendors and lower tier subcontractors. The Contractor's field superintendent must approve the work and percent complete on the invoice form with initials next your percentage or your invoice will be returned to you unprocessed.

3. **Your Final Lien Waiver must accompany final Application for Retainage/Security.** In addition, prior to releasing Retainage/Security, we will need the following:

- A. Full and final notarized waiver of liens from all of your vendors and lower tier subcontractors;
- B. Manufacturer equipment warranties completed with serial numbers, model ID#, and owner manuals;
- C. Signed final punchlist;
- D. Satisfaction of all obligations in accordance with the Contract Documents.

Retainage/Security is payable thirty (30) days after acceptance of the project by the Owner and Contractor.

Note: HVAC Subs, a certified air balance report must be approved by the owner prior to release of retainage.

Applications that include unapproved extras will be adjusted and processed without the extras. Applications lacking paperwork will be returned to the Subcontractor with an explanation of what is lacking and will not be processed until they are re-submitted and complete.

For questions regarding the required paperwork or your payment contact our accounting office at (919) 969-7301.

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Who is authorized to sign change requests? : The only persons authorized to sign a change order for any scope of work are the President and Vice President of Montgomery Development Carolina Corp. No other signature is valid or accepted. Montgomery Field Superintendents do not have authority to request changes, approve changes and or sign any change order for any change whatsoever. If you make or perform a change that deviates in any way from the contract, contract drawings, or contract specifications relying on the field superintendent you will risk not being paid for this work and be responsible to correct the work at your sole cost and expense. The Field Superintendent is authorized to initial the percent (%) of work completed to date. The Field Superintendent is never authorized to sign changes for extra work.

CHANGES & BACK UP. Before doing extra work the Subcontractor shall submit a written Quotation for extra charges and/or schedule changes. **Submit to: Vice President via email (jfugo@montgomerydevelopment.com) or fax (919) 969-7302 and copy the Superintendent on site. Agreements made on site will not be addressed, unless made on-site with the Vice President or President only. All other changes must be submitted to the Project Manager in writing and must follow these conditions (no exceptions):**

- Project name, our job number, location
- Date & change document number
- Specific description of extra work to be completed
- Reason for extra work:
 - 1.) Drawing revision or omission; 2.) Landlord request; 3.) Governmental, Building, Health department request;
 - 4.) Field condition/GC omission; 5.) Equipment problems, etc.
- Identify all work via price per square foot and/or price per lineal foot and/or time and material
- "Not to exceed" amount for time and material charges
- Present all extra items dated chronologically
- List common backcharges to responsible parties, if applicable
- A 10% only maximum markup is allowed on extras
- Copies of material receipts
- Copies of time cards for labor (include union by-laws if union wages are being charged)
- Revised schedule for proposed time extensions
- Submit before Final Application for Retainage/Security has been billed

APPROVED CHANGES. A change document will be issued from our office. **Superintendents may verify hours worked. They do not have authority to approve extra work, or sign change documents.** The Subcontractor assumes the risk that they will not be paid for work performed without an approved change document number.

BILLING FOR CHANGES. Include the project name, location, our job number and **all back up.** Unapproved extra charges will be deducted from your pay application. Any extra charges submitted without a change document number and proper back up will be returned to the Subcontractor and delay approval.

BACKCHARGES. A "backcharge" is a billing to the Subcontractor for costs incurred by the Contractor to: Provide, correct, repair, or replace permanent materials and equipment that are part of the Subcontractor's scope of work; Repair existing project facilities damaged by the Subcontractor's construction activities; or Provide construction materials, equipment, utilities and other services that are part of the Subcontractor's scope of work. The actual cost incurred by the **Contractor plus 20% administration will be charged.** Backcharges shall be deducted from the Subcontractors payment application. Retainage will be withheld until all backcharges are resolved.

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DAILY CLEANUP. The Subcontractor shall at all times keep the work site clean and free from debris. The Subcontractor will remove all debris resulting from the Subcontractor's Work at the end of each day to the Contractor's dumpster. If the Subcontractor fails to comply with cleanup duties a minimum backcharge of

\$160.00 for the first four (4) hours of cleanup and \$40.00 per hour for each additional hour of cleanup will be implemented without notice.

SAFETY. The Subcontractor is required to perform the Subcontractor's Work in a safe and reasonable manner including but not limited to compliance with OSHA and HAZCOM regulations. Furnish MSD Sheets to the Contractor's office and jobsite prior to material deliveries.

PERMITS, FEES, LICENSES, AND TAXES. The Subcontractor is responsible for all assessments necessary to complete the Subcontractor's work including state sales tax. Subcontractor certifies that he/she is licensed to perform the specified work. A copy of the contractor/business license will be furnished prior to starting the work.

SCHEDULE. In the event a subcontractor does not stay on schedule, necessitating an overnight notice and email, the cost plus 20% administration will be deducted from the Subcontractor's next payment.

JOB MEETINGS. The Subcontractor's designated representative must attend mandatory the bi-weekly job meetings. If the sub-contractor chooses to not attend the meeting with a qualified competent representative who can speak for the company in all aspects related to the job, then the sub-contractor accepts all decisions made in his or her absence. This pertains to Change Orders and Schedules for the entire project. If a Change is not put forth at the Job Meeting then it is acknowledged and agreed that no change orders for extra work will be accepted after the meeting date for any work performed previously.

Attend the Meetings

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JOBSITE POLICY

Supervised jobsite hours are 7:30 am until 4:00 pm
Any exceptions must be cleared through MDCC Superintendent

ALL SUBS MUST CLEAN UP DAILY
NO EXCEPTIONS

The subcontractor shall at all times keep the worksite clean and free from all debris. The subcontractor will remove all debris resulting from their own work at the end of each day to the Contractor's dumpster, if the Subcontractor fails to comply with cleanup duties a minimum back charge of \$160.00 for the first 4 hours of cleanup and \$40.00 per hour for each additional hour will be implemented without notice.

THE FOLLOWING WILL NOT BE ALLOWED ON THE JOBSITE AT ANYTIME:

DRUGS OR ALCOHOL

GUNS OR WEAPONS

SEXUAL HARASSMENT

SMOKING OR TOBACCO CHEW

DRAGGING TOOLS OR EQUIPMENT ACROSS FLOOR

YOU MESS THE JOBSITE UP – YOU PAY FOR IT

SAFETY FIRST

REPORT ALL UNSAFE CONDITIONS TO MDCC SUPERINTENDENT

I have read and fully understand and agree to the Montgomery Development Carolina Corp. Jobsite Policy.

Subcontractor Representative (print name)

Representative Signature

Date

Subcontractor Name

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HOURLY RATE & UNIT COSTS include burden, overhead and profit. The rates are used for changes to the contract price and are good for the duration of the project. Fill in the rates and unit costs for your scope(s) of work. Check one: Union NON-Union

SCOPE OF WORK	HOURLY RATE	SCOPE OF WORK	HOURLY RATE	SCOPE OF WORK	PER UNIT COST includes LABOR	UNIT COST
1. Cleaning		9. Drywall/Paint/Ceiling		2. Silt Fence Install		
Journeyman		Journeyman		Remove		
Laborer		Laborer		2c. Rock Haul		
2. Site Equip. Oper.		9. Flooring/Tile		Hydrohammer		
Journeyman		Journeyman		Rip		
Laborer		Laborer		Haul off Rock		
2. Type of Equip.				8. Door/Frames	Wood	
Loader		11. Equipment			Metal	
Dozer		Journeyman		8. Windows/System	Each	
Excavator		Laborer		9. Wood Floor	SF	
Bobcat				9. Glue		
		14. Elevator		9. Carpet	SY	
3. Concrete Finish		Journeyman		9. Carpet Base	LF	
Journeyman		Laborer				
Laborer				15. Plumbing	Install Sing	
3. Concrete Cutting		15. Plumbing			Install Commode	
Journeyman		Journeyman			Rough-in Sink	
Laborer		Laborer			Install Water Cooler	
4. Mason/Stucco		15. HVAC		15. Sprinkler	Add head	
Journeyman		Journeyman			Relocate head	
Laborer		Laborer			Replace Head	
5. Steel/Ironwork		15. Sprinkler			Upright to pendent	
Journeyman		Journeyman		15. HVAC	Add Diffuser	
Laborer		Laborer			Add Return	
6. Carpenter/Framer						
Journeyman		16. Electrical		16. Electrical	Add switch	
Laborer		Journeyman			Add outlet	
7. Roofer		Laborer		16. Card Access	Add reader	
Journeyman					Add door lock	
Laborer					Add cards	
8. Glazier		17. Other		17. Other		
Journeyman		Journeyman				
Laborer		Laborer				

Subcontractor Acknowledgement. The Subcontractor understands, acknowledges, and accepts the requirements outlined in Exhibit A, pages on through six. Any changes are subject to a discount and/or backcharge, must be submitted in writing to the Vice-President or President and approved prior to the start of any Work. This document, Exhibit A becomes part of the Subcontractor's contract agreement.

Company name (use full legal name)	Signature	Title
Address	Tax ID#	Date
City State NC	Phone ()	Fax ()
Subcontractor's Representative	Rep's Title	Rep's phone ()