

Sabal Homes LLC

**NOTICE: THIS SUBCONTRACTOR AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF IT IS DEEMED NOT TO APPLY,
PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-
10 ET SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA**

UNIFORM SUBCONTRACTOR AGREEMENT

This Uniform Subcontractor Agreement (the “Agreement”) is agreed to this 11th day of January, 2017, by **Sabal Homes LLC**, a South Carolina limited liability company, with an address of 421 Wando Park Blvd, Suite 230, Mount Pleasant, South Carolina, 29464 (“Sabal Homes”) and **Joseph Ferreira DBA Lahazza Hearth & Stone**, a South Carolina S Corporation (the “Subcontractor”), this Agreement to be the standard terms and conditions incorporated by reference in each Schedule A subcontract agreement entered into by a subsidiary of Sabal Homes (defined below as a “General Contractor”) and Subcontractor.

1. BACKGROUND AND PURPOSE OF THIS AGREEMENT.

(a) Sabal Homes will be the parent company of various limited liability companies established by Sabal Homes for the purpose of constructing homes in various subdivisions throughout South Carolina and possibly in other states (each a “Subdivision”). Sabal Homes contemplates forming a separate subsidiary limited liability company for construction of houses in each Subdivision. Each such subsidiary limited liability company is referred to herein as the “General Contractor” with respect to the Subdivision for which such General Contractor has been formed.

(b) Sabal Homes and Subcontractor contemplate that the General Contractor shall enter into a subcontract with Subcontractor for performance of work on homes in one or more of the Subdivisions.

(c) The terms and conditions of this Uniform Subcontractor Agreement are automatically incorporated into each and every agreement by which subcontractor provides work or materials for Sabal Homes or General Contractor whatsoever. This specifically includes any work that is specifically denoted in the attached Schedule A, or pursuant to a separate, Work Order, Purchase Order, or Variance Purchase Order (collectively sometimes referred to herein as “Schedule A”) provided by Sabal Homes/General Contractor. The terms of this Agreement (and any documents that originate with Sabal Homes/General Contractor) expressly and explicitly override and control over any conflicting provisions or terms of any documents that originate with Subcontractor, notwithstanding any language in such Subcontractor-drafted/originated documents to the contrary.

(d) Subcontractor acknowledges that each Schedule A, together with this Uniform Subcontract Agreement, are an independent contract between the Subcontractor and the General Contractor, and should not be construed as a separate contract with Sabal Homes. All of Subcontractor’s rights and obligations with respect to a particular Project or Subdivision shall be limited to the General Contractor for that Project or Subdivision and not Sabal Homes.

(e) Nothing herein shall be construed as obligating Sabal Homes or any General Contractor to enter into Schedule A subcontract agreements with Subcontractor for any Project or Subdivision.

2. WORK AND PROJECT SITE.

(a) Subcontractor shall provide all labor, materials and equipment necessary to complete the work (the “Work”) identified on Schedule A executed by the General Contractor and Subcontractor for the project or Subdivision (the “Project Site”). The Work shall be performed in accordance with said Schedule A, this Agreement and the other Schedules attached hereto (collectively referred to herein as the “Contract Documents”).

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3. **REPRESENTATIONS AND WARRANTIES OF SUBCONTRACTOR.** Subcontractor represents, warrants and agrees that:

(a) It has carefully examined and understands this Agreement and the Contract Documents;

(b) It has investigated the nature, locality, and site of the Work and the conditions and difficulties under which the Work is to be performed, and that it enters into this Agreement on the basis of its own examination, investigation, and evaluation of all such matters and not in reliance on any opinions or representations of General Contractor or any officer, employee or agent of General Contractor; and

(c) All Work performed by Subcontractor will meet the applicable building code and industry standards, including the South Carolina Residential Construction Standards adopted by the Residential Builders Commission of the South Carolina Department of Labor, Licensing and Regulation on February 18, 1998, as amended from time to time.

4. **PRICE.** General Contractor agrees to pay Subcontractor in accordance with Schedule A for the satisfactory performance and completion of the Work subject to any additions or deductions as provided in this Agreement.

5. **PROGRESS PAYMENTS.** Subcontractor shall submit to General Contractor a detailed schedule showing the cost breakdowns of various parts of the Work for purposes of verifying Subcontractor's applications for payment. Subcontractor shall submit progress payment applications (in a form provided by General Contractor) on the 5th and 20th days of each month, for work completed by the 4th and 19th days of each month, respectively. Within fifteen (15) days after receiving a payment application, General Contractor shall make progress payment to Subcontractor equal to the amount approved by General Contractor, after allowance for previous payments and backcharges.

6. **PAYMENT CONDITIONS.** Subcontractor shall provide, upon request, information regarding the nature and extent of all obligations incurred by Subcontractor in connection with the Work and any outstanding payments due. Subcontractor shall also provide partial lien waivers with each progress payment request as a condition precedent to payment. General Contractor reserves the right to withhold an amount sufficient to satisfy, discharge, and defend any asserted claims that Subcontractor has failed to make payment for labor, materials, equipment or other related charges in connection with the Work or if it otherwise appears that sufficient funds do not remain in this Agreement to complete Subcontractor's Work. General Contractor may also withhold reasonable amounts to reimburse General Contractor for any back charges against Subcontractor or to secure General Contractor with respect to any breach or default by Subcontractor. Subcontractor may submit to General Contractor claims for damage to its Work caused by other subcontractors and General Contractor will have sole authority to decide whether to backcharge the responsible party and pass through any such backcharge to Subcontractor. No payment shall be construed to be acceptance of defective, faulty, or improper work or materials.

7. **TIME.** Time is of the essence for Subcontractor's performance of the terms and conditions of this Agreement. Subcontractor shall begin work promptly upon being provided notice by General Contractor and shall coordinate and perform its work in accordance with Schedule C attached hereto or any updated schedules provided by General Contractor. Subcontractor agrees to provide qualified and competent forces and supervision along with specified materials and equipment necessary to achieve the progress indicated on General Contractor's current progress schedule.

8. **EXTENSIONS OF TIME.** In the event of a delay in the performance of Subcontractor's Work that is caused solely by the fault of General Contractor, Subcontractor shall be entitled as its exclusive remedy to a reasonable extension of time without any additional compensation. Should Subcontractor be delayed through some act of God or some other cause beyond its control, then a reasonable extension of time will be provided to Subcontractor. In order to be entitled to any extension of time, Subcontractor must submit a written notice of delay delivered to General Contractor

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within forty-eight (48) hours after commencement of the claimed delay. In no event shall Subcontractor be entitled to compensation or damages for any delay in the prosecution of the Work.

9. **CHANGE ORDERS.** General Contractor may, by written change order to Subcontractor, make changes in the Work which Subcontractor shall perform. If the parties are unable to agree upon price and time adjustments, General Contractor may direct Subcontractor to perform such work with any adjustment to price or time to be subject to determination in accordance with the terms of this Agreement. Subcontractor is responsible for keeping adequate and separate cost records of any changed work. In no event shall Subcontractor proceed with changed work without a written change order as provided in this paragraph.

10. **NOTICES.** All written notices shall be provided by mail, facsimile, electronic mail or personal delivery.

11. **INSURANCE.** Before commencing the Work and until completion and final acceptance thereof by General Contractor, Subcontractor shall obtain and maintain at its expense at a minimum the coverages provided in Schedule D attached hereto from companies and in a form and substance acceptable to General Contractor. A condition precedent to payment for any Work is the furnishing by Subcontractor of a certificate of insurance satisfactory to General Contractor. Such certificates shall name General Contractor as an additional insured and shall waive subrogation of claims against General Contractor.

12. **INDEMNITY.** The Work performed by Subcontractor shall be at the risk of Subcontractor and its employees, exclusively. To the fullest extent permitted by law, Subcontractor shall indemnify, defend (at Subcontractor's sole expense) and hold harmless General Contractor from and against any and all claims for bodily injury or death, damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including, but not limited to investigative and repair costs, attorney fees and costs, and consultant fees and costs), which arise or are in any way connected with the Work performed, materials furnished, or services provided under this Agreement, by Subcontractor or its agents. The indemnity and defense obligations set forth in this Section 11 shall further apply, whether or not said claims arise out of the concurrent act, omission, or negligence of General Contractor, whether active or passive.

13. **ASSIGNMENT.** Subcontractor shall not assign or otherwise transfer, whether by operation of law or otherwise, any of its rights, responsibilities or duties under this Agreement or any payments due hereunder nor may it subcontract any material part of the Work without the prior advanced written consent of General Contractor, and any attempted assignment or delegation shall be void and of no effect. General Contractor reserves the right to issue joint checks to Subcontractor and its suppliers or subcontractors if necessary to protect the interests of the project. General Contractor may assign this Agreement to a subsidiary or other affiliated entity, provided that such assignee assumes General Contractor's obligations under this Agreement.

14. **COMPLIANCE.** Subcontractor shall at its own expense obtain all necessary licenses and permits pertaining to the Work and comply with all statutes, ordinances, rules and regulations of any governmental authority having jurisdiction over the Work. Subcontractor acknowledges that it is subject to audit by governmental authorities to determine compliance with licensing requirements.

15. **SAFETY.** Subcontractor shall establish and implement safety measures, policies and standards as required or recommended by governmental authorities having jurisdiction over the project. Subcontractor shall comply with the reasonable recommendations of any insurance companies having an interest in the project and shall stop any part of the Work which General Contractor deems unsafe until corrective measures satisfactory to General Contractor have been taken. Subcontractor shall require all of its employees and employees of its subcontractors and suppliers to wear work shoes at all times on the project.

16. **CLEANING UP.** Subcontractor shall, at its own expense, keep the premises in the vicinity of its Work "broom clean" and free of waste materials on a daily basis. General Contractor will supply refuse containers for disposal of job site waste.

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17. **TEMPORARY FACILITIES.** General Contractor shall provide temporary toilet facilities at the Project Site.

18. **QUALITY.** Subcontractor shall provide first quality, new materials and workmanship conforming to the Contract Documents. Subcontractor shall, within twenty-four (24) hours after receiving written notice from General Contractor, proceed to take down or remove all portions of the Work which shall have been determined to be unsound, improper, or in any way failing to conform to the Contract Documents. All such removed work shall be replaced with proper and satisfactory work at Subcontractor's sole expense. General Contractor may accept any non-conforming work with a corresponding adjustment in the price.

19. **GUARANTEES.** Subcontractor shall, at its expense, make good any faulty, defective, or improper parts of the Work discovered within one (1) year from the date of the closing of the sale of the respective single family residences. Subcontractor warrants for the period of the South Carolina Statute of Repose that all workmanship and materials furnished hereunder meet the requirements of the Contract Documents and all applicable codes and further impliedly warrants that the Work is both merchantable and fit for the purpose for which it is to be used under the Contract Documents.

20. **SUBMITTALS.** Subcontractor shall submit to General Contractor shop drawings, samples, product data, and similar data, as necessary or requested by General Contractor in connection with Subcontractor's Work.

21. **PERFORMANCE.** The interpretations and decisions of the architect for the project (if any) and General Contractor shall bind Subcontractor. Subcontractor will promptly and carefully check all Contract Documents (including plans) and notify General Contractor of any discrepancies or conflicts before performing any work and shall be responsible for any extra costs from its failure to do so.

22. **LIENS.** Subcontractor shall defend, indemnify and save harmless General Contractor and any related entities from any liens or claims of lien filed by any laborer, materialman, subcontractor or supplier claiming through Subcontractor. Subcontractor shall cause any such lien to be satisfied, removed or discharged by bond within ten (10) days from the date of receipt of such lien by General Contractor. If Subcontractor fails to satisfy, remove or discharge the lien, then General Contractor may do so on its own behalf and Subcontractor shall be responsible for all payments, costs and fees, including attorney's fees.

23. **LABOR.** Subcontractor shall comply with all instructions by General Contractor relating to the ingress, egress and parking of employees, materialmen and suppliers to the project as well as on site storage of materials. Subcontractor acknowledges that on site parking may not be available.

24. **DAMAGE.** Subcontractor shall maintain insurance and take appropriate action to protect its equipment, tools, facilities and other personal property used by Subcontractor or its employees in the performance of the Work. General Contractor shall not be liable or responsible for any loss or damage to said equipment except to the extent of any proceeds received by General Contractor for the benefit of Subcontractor under a Builders Risk Policy. General Contractor shall not be liable or responsible for any loss or damage to the Work and Subcontractor shall be responsible for the correction or restoration of any such loss or damage to the work resulting from its operations. Subcontractor shall take all reasonable precautions to protect the Work from loss or damage prior to acceptance by General Contractor.

25. **DEFAULT.** Subcontractor shall be considered in default if it fails to supply the labor, materials and equipment necessary to perform the Work to the quality standards and in accordance with the schedules as required herein; or if it causes any delay to the project; or if it otherwise fails in the performance of any of the terms or conditions of this Agreement. General Contractor will give Subcontractor written notice of default and will require that Subcontractor cure the default within twenty-four (24) hours. In the event that Subcontractor does not resolve the default to General Contractor's satisfaction, General Contractor may exercise one or more of the following remedies:

- (i) Require that Subcontractor utilize overtime labor and additional shifts;

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(ii) Attempt to remedy the default with its own forces or others and deduct the cost thereof plus 15% overhead from any monies due to Subcontractor;

(iii) Terminate this Agreement after giving Subcontractor an additional forty-eight (48) hours notice with the express understanding that General Contractor shall be the Assignee of any materials, equipment, tools and appliances of Subcontractor relating to the Work for purposes of completing the Work; or

(iv) Recover from Subcontractor all losses and damages including reasonable attorney’s fees incurred by General Contractor as a result of Subcontractor’s default.

Any default by General Contractor under this Agreement shall be deemed waived unless Subcontractor shall have given General Contractor written notice thereof within five (5) days after the occurrence of such default. Subcontractor shall not be entitled to stop the Work on account of default by General Contractor unless such default shall have continued for more than seven (7) days after General Contractor’s receipt of written notice of such default from Subcontractor specifying in detail the nature of the default and the steps necessary to cure the claimed default.

26. **DISPUTES/ARBITRATION.**

(a) Subcontractor agrees to perform the Work despite the existence of disputes regarding the Work. In the event that the dispute also involves the rights and duties of the purchaser of the residence (i.e. Homeowner), Subcontractor hereby agrees to joinder as a party to any arbitration between General Contractor and Homeowner involving the Subcontractor’s interest.

(b) **GENERAL CONTRACTOR AND SUBCONTRACTOR AGREE THAT ANY “DISPUTE” (AS DEFINED BELOW) BETWEEN THE PARTIES SHALL BE SUBJECT TO MANDATORY ARBITRATION, AT THE REQUEST OF EITHER PARTY, WHETHER MADE BEFORE OR AFTER INSTITUTION OF ANY JUDICIAL PROCEEDING, PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF IT IS DEEMED NOT TO APPLY, THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET. SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA.** The term “Dispute” shall mean any dispute, claim or controversy of any nature whatsoever between General Contractor and Subcontractor, including without limitation any dispute, claim or controversy arising out of or relating to this Agreement. Without limiting the generality of the foregoing, Disputes which are subject to arbitration under this paragraph shall include disputes based on alleged breach of contract, Disputes based on alleged negligent or intentional misrepresentation or non-disclosure in the inducement of a contract or in the execution or performance of a contract, Disputes concerning alleged breach of any alleged duty of good faith and fair dealing and Disputes concerning the design, construction or condition of the Work or the surrounding subdivision or environment. Disputes subject to arbitration hereunder also include all disputes, claims and controversies alleging negligence, gross negligence, reckless conduct, intentional conduct, breach of implied warranty of habitability or any other basis or theory of liability whatsoever. The parties confirm their intention that this arbitration paragraph be construed liberally to give effect to the parties’ desire that all Disputes between the parties of every nature whatsoever be subject to arbitration. Institution of a judicial proceeding by a party does not waive the right of that party to demand arbitration hereunder. Disputes include disagreement as to whether a matter is subject to arbitration, claims brought as class actions, and claims arising from documents executed in the future.

(c) Pursuant to the Federal Arbitration Act or, if it is deemed not to apply, the South Carolina Uniform Arbitration Act, arbitration shall be conducted under and governed by the Construction Industry Arbitration Rules of the American Arbitration Association (the “AAA”). All arbitration hearings shall be conducted in Columbia, South Carolina. All applicable statutes of limitation shall apply to a Dispute. The arbitration panel shall, in its discretion, apportion the fees and costs of the arbitration proceeding between the parties based upon the extent to which each party prevailed or did not prevail in the arbitration proceeding, with the non-prevailing party bearing the greater proportion of such fees. Similarly, the non-prevailing party shall pay the prevailing party the same percentage of the prevailing party’s attorneys’ fees as the non-prevailing party paid of the arbitration fees and costs. A judgment upon the award may be confirmed, entered and enforced in any court having jurisdiction. As a condition precedent to arbitration, the dispute shall first be mediated in accordance with the Construction Industry Mediation Rules of the AAA, or such other mediation service selected by mutual agreement of the parties.

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27. **EARLY TERMINATION.** General Contractor may terminate this Agreement or stop the Work at any time and Subcontractor's rights and remedies shall be limited to the rights and remedies available under this Agreement. If this Agreement is terminated for default, Subcontractor shall assign all purchase orders and subcontracts to General Contractor if requested by General Contractor. General Contractor may also terminate this Agreement for its convenience upon the giving of written notice to Subcontractor. Subcontractor shall not be entitled to consequential damages or loss of profits on work not yet performed, but shall be entitled to be paid for the costs of the Work performed through the date of termination.

28. **SETOFF.** Subcontractor hereby consents and agrees to allow General Contractor to set off any claims that General Contractor may have against any funds due to Subcontractor on any other project in the event that General Contractor determines that the balance of the price is insufficient to complete the Work of this contract or funds are required to compensate General Contractor for any damages or deficiencies caused by Subcontractor.

29. **NO DRINKING, NO DRUGS.** General Contractor's policy of no drinking of alcoholic beverages and no drug use will be enforced. Drinking or drug use on the job and/or the disposal of alcoholic beverage containers will not be tolerated and are subject to a fine or termination.

30. **PARKING.** Vehicles are not allowed on concrete driveways. Parking on driveways is subject to a \$150 fine or termination. Subcontractor accepts that parking may not always be available.

31. **MISCELLANEOUS.**

(a) **Force Majeure.** General Contractor shall not be liable to Subcontractor or be deemed to be in breach of this Agreement by reason of any delay or omission due to fire, flood, or other act of God, labor or transportation strike or stoppage, act of war, precedent or priority granted at the request of, or for the direct or indirect benefit of any governmental authority, import or export restriction, or other like action, event or condition.

(b) **Entire Agreement.** This Agreement, together with the Schedules attached hereto, is the complete agreement between General Contractor and Subcontractor. Any prior agreements, written or oral, are superseded by this Agreement.

(c) **Governing Law.** This Agreement shall be governed by and construed in accordance the laws of the State of South Carolina.

(d) **Modification.** Any modification or amendment to this Agreement must be in writing and shall be signed by all of the parties hereto.

(e) **Captions and Headings.** The captions and headings throughout this Agreement shall not be deemed to contain the subject matter of this Agreement, nor be considered in the interpretation thereof, it being understood that captions and headings are for convenience only and not for purposes of interpretation or construction of this Agreement.

(f) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective permitted successors and assigns.

(g) **Counterparts.** This Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, and the several counterparts taken together shall constitute the agreement of the parties hereto.

(h) **Severability.** If any of the provisions of this Agreement, or portions thereof, are found to be invalid or unenforceable by any court or governmental authority of competent jurisdiction, the remainder of this Agreement shall nevertheless remain in full force and effect.

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(i) **No Waiver.** Any failure by General Contractor to exercise any of its rights hereunder shall not be construed as a waiver of such rights, nor shall any such failure preclude exercise of such rights at any later time.

SUBCONTRACTOR ACKNOWLEDGES THAT THIS AGREEMENT IS THE COMPLETE UNDERSTANDING AND AGREEMENT OF THE PARTIES HERETO AND THAT EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT SUBCONTRACTOR IS NOT RELYING UPON ANY PROMISES, AGREEMENTS OR REPRESENTATIONS MADE BY GENERAL CONTRACTOR OR GENERAL CONTRACTOR'S EMPLOYEES, OFFICERS, OR AGENTS. SUBCONTRACTOR SHOULD READ AND UNDERSTOOD ALL PROVISIONS OF THIS AGREEMENT BEFORE SIGNING AND SHOULD SEEK LEGAL ADVICE TO ADDRESS ANY QUESTIONS OR CONCERNS. WHEN SIGNED BY GENERAL CONTRACTOR AND SUBCONTRACTOR THIS AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT.

[Remainder of page intentionally left blank.]

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IN WITNESS THEREOF, Sabal Homes and Subcontractor have, by signing below, approved this Uniform Subcontractor Agreement as of the date first listed above, such that this Uniform Subcontractor Agreement shall be automatically incorporated and made a part of each Schedule A as defined herein.

SABAL HOMES LLC

DocuSigned by:
By: Michael Anderson
E504CCFC64D408...
Its: Purchasing Manager

SUBCONTRACTOR:

DocuSigned by:
By: Joseph Ferreira
8064F14B7A174BA...
Its: OWNER

SUBCONTRACTOR ACKNOWLEDGEMENT:

LICENSING: By executing this Agreement, Subcontractor represents and affirms that it holds the following subcontractor licenses(s) applicable to the Work as required by the State in which the Project is located.

State of South Carolina
License Number(s): LIC-17-160963 LIC-1-17-160961
(If none required, enter "N/A")
License Classification(s): NA
"N/A"
Expiration Date: 1/2018

Payments will not be processed without complete licensing information.

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**Schedule A
Payment Schedule
and Description of Work to be Performed**

Describe below the Work to be performed and the price for such Work (Optional). Alternatively and typically, a Sabal Homes or General Contractor generated Work Order, Purchase Order or Variance Purchase Order (“WO/PO/VPO”) will be issued to Subcontractor that provides the agreed upon description of Work and pricing information for each specific Project Site. The terms and conditions of this Uniform Subcontractor Agreement are automatically incorporated into any WO/PO/VPO agreement by which Subcontractor provides work or materials for Sabal Homes or General Contractor whatsoever. The Subcontractor’s commencement of work under any WO/PO/VPO constitutes explicit acceptance of the terms, conditions and provisions of this Agreement and the WO/PO/VPO, regardless of whether Subcontractor actually signs such WO/PO/VPO.

By executing this Schedule A, General Contractor and Subcontractor agree that this Schedule A, together with the Uniform Subcontract Agreement, constitute the Subcontractor Agreement between General Contractor and Subcontractor for the Subdivision referenced above.

General Contractor:

DocuSigned by:
Michael Anderson
E504CCCFC64D408...

By: Michael Anderson
Its: Purchasing Manager

Subcontractor:

DocuSigned by:
Joseph Ferreira
8064F14B7A174BA...

By: Joseph Ferreira
Its: OWNER

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Schedule B
Project Site and Scope of Work

General Scope of Work

1. All work, material and/or labor supplied shall comply with General Contractor's blueprints, specifications and any applicable codes and requirements as established by the governmental authority in which the work is being performed.

2. Prior to commencing any work, it is the responsibility of the Subcontractor to verify with the General Contractor superintendent that he/she has the correct set of plans, option selections and specifications. Under no circumstance shall a Subcontractor deviate from the plans, specifications or selections under direction from a sales agent or homeowner.

3. Subcontractor is responsible for notifying the superintendent of all defects in workmanship by others that will affect their work. If the Subcontractor knowingly covers up poor work, the Subcontractor will be responsible for correcting the work at its expense.

4. Subcontractor should not commence any work without the appropriate work order and/or purchase order.

5. It is the responsibility of the Subcontractor to ensure that any bids given to General Contractor are in compliance with this Scope of Work. In addition, it is also the responsibility of the Subcontractor to obtain and make payment for any applicable license or permit fees required for the work being performed in any particular jurisdiction.

6. Subcontractor is responsible for any inspection and re-inspection fees incurred on their behalf.

7. Subcontractor is responsible for meeting or exceeding all of the OSHA's requirements for safety on the job site. Subcontractor is encouraged to engage its employees in regular safety meetings.

8. Subcontractor is responsible for disposing of any trash and/or debris as a result of performed work in the trash receptacle provided by General Contractor on a daily basis. In addition, the interior of the house must be broom-swept and free from any trash at the end of each and every working day. General Contractor reserves the right to backcharge the Subcontractor an amount equal to double the cost incurred to clean the site on behalf of the Subcontractor to these specifications. Subcontractor is responsible for notifying the Superintendent of any violations in regards to cleanliness prior to commencing his/her work or the Subcontractor will be held responsible.

9. It is forbidden for any tools, supplies or food to be placed on or in any finished portion of the home. Subcontractor will be back-charged \$150 for each violation of this policy and will be held fully responsible for any damage incurred as a result.

10. Subcontractor is prohibited from wearing shoes in a home after the carpet has been installed. Subcontractor will be held responsible for cleaning or repair as a result of soiled carpet. Protective booties are acceptable to be worn over shoes.

11. Subcontractor must have a qualified, English-speaking foreman or supervisor on the jobsite at all times when work is taking place.

12. Subcontractor is responsible for locating all underground utilities prior to any digging. Subcontractor will be held financially responsible for the repair of any damage that occurs.

13. Subcontractor is responsible for providing alternate means for power and lighting in the event that a temporary power pole is unavailable.

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14. Any installed product (i.e. studs, doors, trim, shelves etc) removed for the ease of work must be re-installed by Subcontractor to the same condition as which they were originally installed.
15. Subcontractor will repair or pay for repairs to any damage done to others work, materials, or equipment.
16. Subcontractor is prohibited from parking or driving on concrete driveways at all times.
17. Subcontractor is not allowed to permanently remove or damage silt fencing at any time. Subcontractor will be back-charged for the re-installation of damaged or compromised silt fencing.
18. Subcontractor will responsible to clean up any mud/dirt/silt that is tracked into the streets.
19. Subcontractor will only use the portable restroom facilities regardless of the stage of construction.
20. Subcontractor shall comply with and fully cooperate with all Storm Water Pollution Prevention Plans (“SWPPP”) adopted pursuant to the Clean Water Act and all storm water pollution prevention plans and protection plans, orders, measures, actions and best management practices, as may be updated from time to time, instituted by General Contractor, the U.S. EPA, and any federal, state, local or regional governmental or quasi-governmental regulatory agencies or water quality boards with competent jurisdiction. Subcontractor shall not alter, tamper with, destroy, or in any way compromise or negatively affect, by Subcontractor's actions or inactions, any best management practices and physical controls in place to prevent and protect against storm water pollution.

Scope of Work- Warranty and Customer Service

1. The following trades must provide 24-hour emergency service with immediate response capabilities to address emergency situations: Electrician, Plumber, HVAC, Gas and Roofing.
2. Subcontractor will warrant all work for a period of one year after the customer’s closing.
3. Subcontractor must address all emergency warranty work within 24 hours of notification. All other warranty claims must be addressed within five business days unless prior arrangements are made with the General Contractor superintendent due to items or issues outside of the Subcontractor’s control.
4. Subcontractor is to accommodate schedules of homeowners and/or General Contractor personnel in order to complete any needed repairs or warranty work to include nights and weekends.
5. Subcontractor will be fined \$150 per occurrence for missed appointments with homeowners and failure to complete customer service work in a professional and timely manner.
6. Subcontractor’s customer service representative must wear a clean, company uniform, speak English and leave the area as clean as when they arrived.
7. Subcontractor’s representative must remove shoes when entering a customer’s home or wear protective booties.
8. Subcontractor’s representative shall limit any discussions about the work being performed with the homeowner. All correspondence shall be directed to and/or through the General Contractor superintendent.
9. Subcontractor’s representative shall have all tools, supplies and equipment necessary to complete the warranty claim in the first trip.

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10. Subcontractor's representative must immediately report back to the General Contractor superintendent upon leaving a homeowner's house as to the status of the warranty claim so that they can follow up with the homeowner to ensure satisfaction.

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Schedule C
Performance Schedule

- Time is of the essence in this Agreement and is repeated herein for emphasis.
- The Work shall be scheduled in accordance with the overall project requirements and in coordination with the work of other subcontractors.
- Subcontractor acknowledges that General Contractor is making every effort to complete the project in the shortest time possible. Further, Subcontractor agrees to assist General Contractor by providing sufficient manpower, equipment and materials necessary to maintain satisfactory progress and performance without delaying or impeding the work of others.
- General Contractor shall issue a Master Schedule for the project and a copy shall be provided to each Subcontractor. The Work shall proceed in accordance with the currently updated Master Schedule and requirements of General Contractor, which are hereby agreed to by Subcontractor. Otherwise, Subcontractor shall revert to whatever means necessary (including, but not limited to, overtime, extra shifts and additional manpower) to overcome delays and maintain the Master Schedule at no cost to General Contractor. The Master Schedule shall be revised from time to time in order to properly coordinate the sequence of the Work.
- Subcontractor shall submit to General Contractor all shop drawings, samples and information required for approval not later than twenty-one (21) days after execution of this Agreement. Receipt of all drawings, samples and information required for submittal shall be provided to General Contractor prior to processing of Subcontractor's first Application for Payment.

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**Schedule D
Insurance Requirements**

Subcontractor shall, at its own expense, maintain on all of its operations insurance pursuant to all terms in the Agreement and this Schedule D, and not less than the following coverage and limits which shall be maintained under forms of policies and from companies satisfactory to Sabal Homes. The insurance company must have a financial rating of at least A-VII as defined by A.M. Best Company. Copies of policies shall be provided when requested.

Certificate Holder shall be listed as: **Sabal Homes LLC and Subsidiaries**
421 Wando Park Blvd, Suite 230
Mount Pleasant, SC 29464

Workers' Compensation and Employers Liability Insurance: Workers' Compensation insurance shall be provided as required by any applicable law or regulation.

- \$500,000 each accident for bodily injury by accident;
- \$500,000 policy limit for bodily injury by disease; and
- \$500,000 each employee for bodily injury by disease.

A waiver of subrogation endorsement is required, issued in favor of Sabal Homes LLC and subsidiaries.

General Liability Insurance: Subcontractor shall carry Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of Subcontractor, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

- (1) premises and operations;
- (2) products and completed operations;
- (3) contractual liability insuring the obligations assumed by Subcontractor in this Agreement,
- (4) explosion, collapse and underground hazards; and
- (5) personal injury liability.

Except with respect to bodily injury and property damage included within the products and completed operation hazards, the aggregate limit, where applicable, shall apply separately per project to Subcontractor's work under this Agreement.

One of the following coverage forms is required:

- (1) Comprehensive General Liability
- (2) Commercial General Liability (Occurrence)

Coverage provided by Subcontractor shall be primary and non-contributory.

A "claims made" policy form is not acceptable without prior written approval.

A "modified occurrence" policy is not acceptable.

Endorsements restricting, limiting or eliminating PRODUCT or COMPLETED OPERATIONS coverages above shall be expressly, specifically and conspicuously identified in a separate letter from Subcontractor to Sabal Homes and shall not be authorized or effective unless explicitly approved in writing by Sabal Homes.

A waiver of subrogation endorsement is required, issued in favor of Sabal Homes LLC and subsidiaries.

If Subcontractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a combined single limit for bodily injury, property damage and personal injury liability of \$1,000,000 each occurrence, \$2,000,000 aggregate.

Sabal Homes LLC

If Subcontractor carries an Occurrence form Commercial General Liability policy, the limits of liability shall be not less than:

- \$1,000,000 each occurrence (combined single limit for bodily injury and property damage);
- \$1,000,000 for personal injury liability;
- \$2,000,000 aggregate for products-completed operations; and
- \$2,000,000 general aggregate per project.

The policy must have an endorsement providing that the general aggregate limit applies **separately per project**. A waiver of subrogation endorsement is required, issued in favor of Sabal Homes LLC and subsidiaries.

Certificates of Insurance: Certificates of Insurance (COI), as evidence of the insurance required by this Agreement, shall be furnished by Subcontractor on an ACORD form to Sabal Homes LLC before any work is commenced by Subcontractor at the Project Site. The Certificates of Insurance shall provide that there will be no cancellation or reduction of coverage without thirty days (30) prior written notice to Sabal Homes. No payment will be made to Subcontractor under this contract unless an acceptable Certificate of Insurance and COI-Verify™ insurance policy questionnaire are on file with Sabal Homes LLC. The Subcontractor acknowledges that various aspects of its contractual obligations will be handled by the COI-Verify™ system and other web related applications. Subcontractor certifies that all electronically signed documents may be used for evidentiary purposes as if personally signed by the Subcontractor.

Failure of Subcontractor to procure, submit or maintain a COI reflecting full compliance with the insurance provisions required herein shall not be construed as a waiver of Subcontractor's obligation to maintain all such required insurance.

Annually throughout the work and until final completion, Subcontractor shall supply Sabal Homes with a new COI, and is further required to provide Sabal Homes with a new additional insured endorsement, naming Sabal Homes LLC and subsidiaries as an additional insured. The Comprehensive General Liability Insurance with the Products/Completed Operations coverage shall be maintained (and renewal COIs provided to Sabal Homes) throughout the entire time period for which a construction defect claim can be timely presented by a homeowner, pursuant to applicable statutes and law.

Automobile Liability Insurance: Subcontractor shall carry Automobile Liability insurance, including coverage for all owned, hired and non-owned automobiles. The limits of liability shall be not less than \$1,000,000 combined single limit each accident for bodily injury and property damage.

Additional Insured Endorsement: The Bodily Injury and Property Damage Liability policies shall include a provision or endorsement naming Sabal Homes LLC, subsidiaries and their officers and employees as additional insureds with respect to liabilities arising out of Subcontractor's performance of the Work under this Agreement. **The additional insured endorsement shall provide coverage at least as broad as Additional Insured (Form B) endorsement form CG 20 10 11 85 as published by the Insurance Services Office (ISO) and shall be primary and non-contributory.**

Insurance Requirements for Sub-subcontractors: The Subcontractor shall ensure that all tiers of their Subcontractors shall procure and maintain insurance in like form and amounts including the Additional Insured requirements, all as set forth above. Copies of the COIs must be provided prior to the sub-subcontractors entering the Project Site.

Builders' Risk Insurance: Subcontractor shall insure (through an Installation Floater form policy), secure and protect their work and materials while in transit to jobsite, or in storage, from damages until final acceptance by Sabal Homes. All deductibles shall be the responsibility of Subcontractor. Subcontractor waives any rights of subrogation as pertains to the proceeds of any Builders' Risk insurance policy carried by Sabal Homes.

Sabal Homes LLC

Acceptance of Subcontractor Insurance: The required insurance shall be subject to the approval of Sabal Homes, but any acceptance of insurance certificates by Sabal Homes shall in no way limit or relieve Subcontractor of the duties and responsibilities by said Subcontractor in this Agreement. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor will comply with such requirements.

Sabal Homes LLC

Schedule E

Worker's Compensation Insurance

This is an addendum to the Subcontractor Agreement between Sabal Homes LLC ("General Contractor") and **Joseph Ferreira DBA Lahazza Hearth & Stone** ("Subcontractor"), dated January 11, 2017 ("the Subcontractor Agreement").

The Subcontractor acknowledges and certifies that the following individual(s) ("exempt individual(s)") have voluntarily elected to be exempt from worker's compensation coverage under the Subcontractor's worker's compensation insurance policy. By executing this document, the individual(s) acknowledge that under applicable laws they are excluded from coverage under the Subcontractor's worker's compensation insurance policy. The individual(s) further acknowledge that **they are excluded from coverage under the General Contractor's worker's compensation insurance policy.** The exempt individual(s) understand and acknowledge that their exempt status precludes them from seeking coverage under the General Contractor's worker's compensation insurance policy. To the extent laws or regulations may be interpreted in such a manner to afford coverage to the individual(s) under the General Contractor's worker's compensation insurance policy, **the individual(s) hereby expressly waive any right, that may be available to them under applicable laws, to be covered under the General Contractor's worker's compensation insurance policy.**

By signing below, the exempt individual(s) agree and acknowledge that they have read this addendum carefully and fully understand and are aware of the legal effects of its terms, and are executing this addendum voluntarily, of their own free will, and without any coercion, undue influence, threat or intimidation of any kind whatsoever.

Joseph Ferreira	<small>DocuSigned by:</small> <i>Joseph Ferreira</i>	1/12/2017
Printed Name	<small>Signature</small>	Date

_____	_____	_____
Printed Name	Signature	Date

_____	_____	_____
Printed Name	Signature	Date

GENERAL CONTRACTOR:

<small>DocuSigned by:</small> <i>Michael Anderson</i>
By: _____
<small>E504CCCFC64D498</small> Michael Anderson
Printed Name: _____
Purchasing Manager
Title: _____
1/12/2017
Date: _____

SUBCONTRACTOR:

<small>DocuSigned by:</small> <i>Joseph Ferreira</i>
By: _____
<small>8064F14B7A174BA...</small> Joseph Ferreira
Printed Name: _____
OWNER
Title: _____
1/12/2017
Date: _____

DS
JF