



## SUBCONTRACTOR AND SUPPLIER TERMS AND CONDITIONS

1. **Applicability and Priority:** These Terms and Conditions ("Terms") are an integral part of the agreement between Precipice Properties Group LLC ("PPG") and all of the subcontractors and suppliers, including their employees, independent contractors, agents, representatives, and/or trades, ("Subcontractors") that deliver or provide materials to PPG or that perform work of any kind at a project for which PPG is the general contractor. By delivering or providing materials or performing work ("Work") or accepting electronically or in writing any purchase order issued by PPG, Subcontractors agree to be bound by and adhere to these Terms. In the event that these Terms conflict with any terms, conditions, requirements, specifications, construction drawings, or other language in any agreement, invoice, proposal, bid, scope of work, or other writing presented by a Subcontractor to PPG, these Terms will supersede such conflicting terms or conditions. Unless applicable law requires otherwise, these Terms also shall supersede any conflicting and less stringent statutes, regulations, codes, or industry standards. These Terms may only be modified in a writing signed by the PPG Legal Affairs team.

2. **Compliance with Project Documents:** The Work of all Subcontractors, shall be performed in a good and workmanlike manner. Workmanlike quality is Work that meets or exceeds all requirements of the most stringent of (a) the construction drawings ("Drawings" or "Plans") for a project, (b) the specifications ("Specifications") for materials and procedures, methods, techniques, and other actions to be used in the project, (c) PPG's schedule for a project ("Schedule"), (d) the purchase order ("PO") issued by PPG to Subcontractor for the Work as amended by any change order approved in writing by PPG, (e) all applicable statutes, regulations, ordinances, and other laws ("Laws"), (f) all applicable building codes ("Codes"), (g) all applicable industry standards ("Standards"), and (h) any scope of work ("SOW") provided by PPG to Subcontractor for the project. Subcontractor must be knowledgeable regarding the Plans, Specifications, Schedule, Laws, Codes, Standards, and SOW ("Project Documents") applicable to its trade. A copy of the latest Project Documents will be made available upon request by email to [info@precipiceproperties.com](mailto:info@precipiceproperties.com). Copies of SOWs, Plans, Schedules, Specifications, and Inspection Reports (defined below) may also be downloaded from the PPG BuilderTrend website at [www.buildertrend.net](http://www.buildertrend.net). At the time Subcontractor accepts a PO, Subcontractor shall ensure that it has the most recent version of the Project Documents and shall ensure that it obtains all revisions to the Project Documents. Subcontractor shall promptly notify PPG if any revision to the Project Documents will require a change order. All Project Documents are the property of PPG and may not be used for any purpose other than performing the Work. Subcontractor shall not perform any Work, provide any services, or supply any material not described in a PO. Except as usual and customary in Subcontractor's trade or approved by PPG in writing, Subcontractor shall perform all Work at the real property identified in the PO ("Site" or "Jobsite").

3. **Relationship With Project Owner:** PPG may, in the course of business, introduce the Subcontractor to the owner of a project ("Owner") for which PPG is or seeks to



be the general contractor. The Subcontractor recognizes and affirms that the relationship between PPG and Owner is important and valuable and may be confidential. The Subcontractor will not to solicit or accept any work directly from Owner for a period of one (1) year from the later of the date of the introduction of Subcontractor to Owner or the date of completion of any project performed by PPG for Owner. This provision shall apply whether or not the Subcontractor actually performs any work for PPG on a project for Owner.

4. **Inspections of Work:** Inspection(s) of Subcontractor's Work may be conducted by PPG at any time. Subcontractor shall participate in an inspection at the request of PPG on one business day's notice. PPG's inspections shall produce a report ("Inspection Report") listing each failure of Subcontractor's Work to conform to the Project Documents (a "Deficiency") (commonly referred to as a punch-list) requiring correction or confirming that PPG did not identify any Deficiency during the inspection. Subcontractor shall promptly correct all Deficiencies. No payment will be made to Subcontractor until PPG's Inspection Report confirms in writing that the Subcontractor's Work is free of Deficiencies. PPG's failure to identify a Deficiency shall not be a waiver by PPG of Subcontractor's obligation to perform Work free of Deficiencies or Subcontractor's obligation to correct all Deficiencies. Subcontractor may request an inspection by PPG only after completion of Subcontractor's Work or to obtain from PPG clarification of the Work required by the Project Documents. PPG shall perform the requested inspection within two business days, unless conditions beyond the control of PPG require a longer time. Time is of the essence for correction of Deficiencies, and in any event Subcontractor shall correct Deficiencies within the time stated in the Schedule for completion of Subcontractor's Work to ensure that Deficiencies do not delay the Schedule in any manner. If Subcontractor fails to correct Deficiencies in the time required by the Schedule for completion of the Work, PPG may take any action in its sole discretion to correct the Deficiencies and complete the Work ("Alternative Correction"). Subcontractor will pay (a) all costs of the Alternative Correction at a labor rate equal to 150% of Subcontractor's published rate for the services constituting the Alternative Correction or \$125 per hour, whichever is greater, (b) 120% of the cost of all materials used in performing the Alternative Correction, and (c) all fees, penalties, charges, interest, or other expense incurred by PPG or Owner as a result of Subcontractor's failure to correct any Deficiency.

5. **Invoicing Procedure:** Requests for payment ("Invoice") must be made in the form of the PO for the Work bearing Subcontractor's dated signature, which shall be a certification by Subcontractor that (a) the Work has been performed in full in the manner required by the Project Documents, (b) PPG has inspected the Work, and (c) PPG has confirmed in writing that the Work is without Deficiencies. Any other form of request for payment will be disregarded. If an Invoice conflicts with the PO for the Work, the PO shall prevail. The Invoice must be accompanied by a signed lien waiver in the form provided by PPG to Subcontractor. No other form of lien waiver will be accepted. The lien waiver must encompass all of the Work for which payment is requested in the Invoice. No payment will be made without such a lien waiver.



6. **Payment:** Each Invoice will be paid net thirty (30) days from PPG's receipt of the Invoice in the form and manner required by these Terms. PPG will not make partial payment for Work described in a PO. PPG will withhold payment if (w) the form of Invoice does not comply with this Section, (x) PPG has identified any Deficiency in the Work, (y) the Work is incomplete in any respect, or (z) has not been inspected by PPG. PPG may make deductions from payment of any Invoice for any amount PPG claims to be owed by Subcontractor to PPG or Owner with respect to any PPG project. PPG may pay Subcontractor or arrange for payment by Owner or a third-party. Subcontractor shall not contact Owner or any third-party regarding payment but shall contact PPG only by email to the invoices email address above.

7. **Owner's Inspection:** Upon completion of a project, the Owner may perform an inspection of the project or any part of the project. Any Deficiency identified by Owner shall be deemed a Deficiency identified by PPG and shall require correction as described in Section 4.

8. **Safety:** The Subcontractor represents and warrants that it has a Safety and Hazard-Communication program for its employees and/or trade contractors. Subcontractor agrees to comply with OSHA and/or any other governmental agency's safety rules and regulations. If any citations, fines, and/or penalties, is assessed against PPG or Owner as a result of any act or omission of Subcontractor, Subcontractor will indemnify and hold harmless PPG and Owner and reimburse PPG and Owner for any and all penalties, fines, charges, legal fees, and other expenses incurred by PPG or Owner as a result of Subcontractor's act or omission.

9. **Insurance:** Subcontractor shall at all times have Worker's Compensation and General Liability insurance coverage that is in force and providing coverage for all of Subcontractor's employees and independent contractors performing any part of the Work at any time in any location. Subcontractor shall provide to PPG a completed ACORD Certificate of Insurance with all endorsements from the insurer(s) for which the most recent Financial Strength Rating by A.M. Best Company, Inc. is "A" or better. Subcontractor shall immediately inform PPG of any change in Subcontractor's insurance coverage. The Subcontractor agrees to indemnify and hold harmless PPG, and to be solely responsible for, any claims, demands, or litigation arising from any claim made against PPG related to (a) any act or omission of Subcontractor or any of its employees, independent contractors, agents, or representatives, (b) any Deficiency, or (c) any breach of contract or warranty by Subcontractor or any material used in or constituting the Work.

10. **W-9:** Subcontractor shall provide to PPG a completed and accurate IRS form W-9 before beginning any Work or entering onto any PPG job site. Subcontractor shall immediately inform PPG of any change in any of the information provided by Subcontractor on the W-9 by providing PPG a new, completed W-9.

11. **Cleanliness:** The Subcontractor shall leave the Work area clean and free of debris. If PPG determines in its sole discretion that the Work area contains debris by reason

of an act or omission of Subcontractor, PPG will assess against Subcontractor a clean-up fee equal to 120% of the actual cost of clean-up but not less than \$100, which may be deducted by PPG from any payment owed by PPG to Subcontractor on any project. PPG will designate an area for placement at the end of each day of all debris and waste. No personal trash, such as food packaging, food, bottles, cans, cigarette butts, or other items brought to the Site by Subcontractor (other than building materials included in the PO) may be thrown or placed at any time anywhere on the Site except in the designated area for trash.

12. **Portable Toilets.** Portable toilets will be placed at the Site by PPG. No person may urinate or defecate anywhere on the Site except in the portable toilets. Any person violating this prohibition and requirement will be assessed a clean-up fee of \$200 for the first occurrence and \$500 for each subsequent occurrence, which shall be paid immediately on demand to PPG and such person shall not thereafter enter upon any PPG Site. Subcontractor shall require its employees and independent contractors that violation of this prohibition and requirement will not be tolerated.

13. **No Smoking.** No smoking is allowed in any structure or within ten (10) feet of any flammable material. Violation of this prohibition shall be assessed in the same manner as specified in Section 12.

14. **Warranty:** All available warranties under the law shall apply to the Work, and in any event Subcontractor shall warrant the Work to be free of Deficiencies for the longer of (a) the duration required by law, (b) the time specified for a material by the material's manufacturer, or (c) one (1) year from last to occur of (i) the closing of the sale of the completed project to the Owner, (ii) issuance of a certificate of occupancy for the structure for which the Work was performed, or (iii) discovery by PPG or Owner of a latent Deficiency. Correction of Deficiencies under Subcontractor's Warranty shall be performed as promptly as possible to prevent injury or damage already or possibly caused by the Deficiency but no later than seven (7) days of written notice to Subcontractor of the Deficiency. If Subcontractor fails to correct Deficiencies in the time required by this Section, PPG may perform or cause to be performed an Alternative Correction. Subcontractor will pay all costs of injury or damage caused by the Deficiency, any Alternative Correction, and all fees, penalties, charges, interest, or other expense incurred by PPG or Owner as a result of the Deficiency or Subcontractor's failure to correct any Deficiency. With respect to Alternative Corrections, Subcontractor will pay (a) all costs of the Alternative Correction at a labor rate equal to 150% of Subcontractor's published rate for the services constituting the Alternative Correction or \$125 per hour, whichever is greater and (b) 120% of the cost of all materials used in performing the Alternative Correction.

15. **Drug-Free Workplace:** PPG operates drug-free, alcohol-free, and firearms-free project sites. The use or possession on a PPG project site of any substances (such as drugs) prohibited by federal, state, or local law, use of alcohol, possession of a fire-arm that is not locked, is prohibited. No person on a PPG project site may be impaired by any drug, alcohol, or other substance. Any violation of this Section may result in suspension or



termination of Subcontractor or exclusion of any of its employees or independent contractors from the Site.

16. **Damage and/or Wastefulness of Materials:** Subcontractor shall be liable for all damage, injury, harrassment to, misuse of, or waste of (a) materials, (b) work performed by Subcontractor or others, (c) third-party personal property, (d) the Site, and (e) all persons on the Site, which damage is caused by the act or omission of Subcontractor or any of its employees, independent contractors, agents, or representatives.

17. **Submission of Documents and Sending of Notices:** This Terms signed by Subcontractor, all current and later modified W-9s or ACORD insurance certificates, Invoices, POs and change orders signed by Subcontractor must be delivered to PPG by electronically to [invoices@precipiceproperties.com](mailto:invoices@precipiceproperties.com). No other method of delivery will be accepted.

The undersigned is an authorized representative of the Subcontractor identified below, has read and understands these Terms and agrees on behalf of Subcontractor and all its employees and independent contractors to be bound by and comply with the Terms.

SUBCONTRACTOR

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

Printed Name: \_\_\_\_\_

Position / Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

FOR PRECIPICE PROPERTIES GROUP COMPLETION ONLY

Job Number: \_\_\_\_\_

W-9 Received

SOW(s) Sent to Sub

G/L ACORD Received

W/C ACORD Received

All Docs Scanned to Drive