

SUB CONTRACT
-with-

Project No. Project #
Amount: Contract Sum

THIS AGREEMENT entered into this **Day** day of **Month, Year**, by and between

Morette Company Inc.
P. O. Box 13452
Pensacola, Florida 32591-3452

of Pensacola, Florida, hereinafter called Contractor, and

Subcontractor Name & Address.

hereinafter called Subcontractor,
WITNESSETH:

WHEREAS, MORETTE COMPANY has heretofore entered into a General contract with
Owner Name and Address

hereinafter called the Owner, to furnish all labor, equipment and materials and perform all work required for
Project Name and Address

in strict accordance with the specifications, general conditions and supplemental general conditions, schedules and drawings, including Addenda No XXX and Alternate No. XXX prepared by **Architect/Eng. Name**, which are made a part of said General Contract, and which are now made a part of this Subcontract insofar as they apply as if set out herein verbatim, and the parties hereto desire to contract with reference to a part of said work; now, therefore.

In consideration of the mutual agreements herein contained, it is agreed as follows:

I - Subcontractor shall furnish all labor and materials and perform all work necessary to complete the following part or parts of the work of the General Contract in all respects as is therein required of the Contractor, and all work incidental thereto, namely: Your work shall be in complete accordance with plans and specifications as per "**Attachment I**". Current dated plans list hereto attached as "**Attachment I**" must be acknowledged and returned with the executed subcontract.

Included in this contract, but not limited to:

Scope of Work

II - (a) Contractor shall have, in addition to any other legal rights, all the same rights and privileges as against the Subcontractor herein as the Owner in the General Contract has against Contractor.

(b) Subcontractor acknowledges that he has read the General Contract and all specifications, general conditions, supplemental general conditions, schedules, drawings, addenda and alternates and is familiar herewith and agrees to comply with and perform all provisions thereof applicable to the work and requirements of the Subcontractor.

(c) All work shall be done under the direction of the Architect and his decisions as to the true construction and meaning of the drawings and specifications shall be final. Subcontractor shall conform to and abide by any additional specifications, drawings or explanations furnished by the Architect to illustrate the work to be done.

(d) Subcontractor shall procure at his own expense all required permits and licenses.

III - (a) Subcontractor shall promptly submit for approval all shop drawings and or samples for which approval is required. All necessary submittals, shop drawings, samples, etc. are due in this office within 2 weeks of receipt of this subcontract. At the time of submission of the project submittals, Subcontractor shall clearly provide specific written notice of any and all variations that the submittals may have from the requirements of the Contract Documents, and shall cause specific notation to be made on each and every submittal provided by Subcontractor.

(b) The Subcontractor agrees and acknowledges that meetings will be held at the job site as called for by the contract or as otherwise required herein. Attendance by the Subcontractor is mandatory at the meetings held immediately prior to the commencement of its work and each meeting thereafter until this subcontract work is completed and accepted by the Owner, and at other times when deemed necessary by the Contractor. The Subcontractor shall have a representative present who shall have the authority to act and make binding decisions for the Subcontractor. Failure to either attend such required meetings or have a representative in attendance with authority to bind the subcontractor will be considered breach of this subcontract.

(c) Subcontractor shall begin work as soon as instructed by Contractor, and shall carry on said work promptly, efficiently, and at a speed that will not cause delay in the progress of Contractor's work or other branches of the work carried on by other Subcontractors. Subcontractor shall Prosecute, in preference to other parts of the work, such as part or parts as Contractor may specify.

(d) Should Subcontractor cause delay in the progress or completion of the project, the damages resulting there from, including, but not limited to, liquidated and/or actual damages assessed by Owner and attributable thereto, shall be the obligation of Subcontractor. Subcontractor shall reimburse the Contractor for any damages assessed by the Owner or other Subcontractors, whether liquidated or otherwise, against the Contractor and for any damages otherwise incurred by or asserted against the Contractor as a result of delays or difficulties caused by or attributable to the Subcontractor. Furthermore, the Subcontractor shall pay the Contractor's acceleration costs, extended jobsite overhead, and unabsorbed home office overhead, and other direct and indirect expenses of whatever nature, including attorney's fees, caused in whole or in part by delays, disruptions, or other reasons attributable to the Subcontractor.

(e) If the Subcontractor falls behind the Contractor's schedule for the Subcontractor work, or, if, in the opinion of the Contractor, the Subcontractor is otherwise not maintaining a satisfactory rate of progress as determined by the Contractor, the Contractor may direct the Subcontractor to take such action as the Contractor deems necessary or appropriate to improve the Subcontractor's rate of progress. In addition, should Subcontractor fail to immediately and adequately take such action as directed by Contractor, the Contractor shall have the right, but not the obligation, to provide, either with Contractor's own forces or with others, any additional labor, materials, equipment, supervision, or other item as the Contractor deems necessary or

appropriate, which shall be at the Subcontractor's cost and which the Contractor shall be entitled to deduct from any payment, whether then due or thereafter to become due to the Subcontractor.

(f) Contractor shall not be liable to the Subcontractor for delay to Subcontractor's work by the act, neglect or default of the Owner, or the Architect, or by reason of fire or other casualty, or on account of riots, or of strikes, or other combined action of the workmen or others, or on account of any acts of God, or any other cause beyond Contractor's control, or on account of any circumstances caused or contributed to by the Subcontractor, but Contractor will cooperate with Subcontractor to enforce any just claim against the Owner or Architect for delay.

(g) Should Subcontractor be delayed in his work by Contractor, then Contractor shall owe Subcontractor therefore only an extension of time for completion equal to the delay caused and then only if a written claim for delay is made to Contractor within forty-eight hours from the time of the beginning of the delay.

(h) The Subcontractor shall clean up and remove from the site and dispose of trash and debris on a daily basis or as often as directed by the Contractor. The Subcontractor shall also do its part in keeping the project in a clean and neat condition, and shall clean up any adjacent work soiled by its workmen and leave floors "broom clean," as directed by the Contractor. If Subcontractor fails to comply with this paragraph within twenty-four (24) hours after receipt of notice by Contractor, then Contractor may perform such necessary clean up and deduct the costs from any amount due the Subcontractor. **The following items may not be placed in construction dumpsters: paint cans, solvent cans, caulk tubes, plastic buckets, tires, 55 gallon drums, house hold garbage, oil containers, asbestos containing materials or any other material considered to be hazardous waste. It is the sole responsibility of anyone bringing this material on site to remove it from the site. Anyone placing this material in construction dumpsters will be subject to civil penalties. All costs for removal of materials placed in Contractors dumpsters will be deducted from the funds owed to the Subcontractor, as will any fines levied against the Contractor.**

(i) Subcontractor shall supervise the work himself and provide a competent and qualified superintendent satisfactory to the Architect and Contractor. The Subcontractor's superintendent shall have the authority to act for and on behalf of the Subcontractor in all matters relating to the Subcontractor's work. Subcontractor agrees to remove from the job any personnel on request of Contractor. No temporary office building, storage trailer, sign, or other structure shall be placed on the job site by the Subcontractor unless approval in writing of the location, design and painting thereof has first been approved by the Contractor. Any temporary utilities for such structures will be at the Subcontractor's sole expense. Subcontractor is responsible for any and all cost and expenses incurred for temporary office buildings, storage trailers, etc.

IV - Subcontractor shall make all alterations, furnish the material for and perform all extra work or omit any work Owner, Contractor or Architect may require, without nullifying this agreement. No changes are to be made except upon written order from Contractor. The amount to be paid by Contractor as extras or allowed by Subcontractor for omissions shall be determined as provided under the terms of the General Contract.

V - Subcontractor shall provide safe and sufficient facilities at all times for inspection of the work by Contractor, Architect, or their authorized representatives and shall within twenty-four (24) hours after receiving written notice from Contractor proceed promptly to take down all portions of the work and remove from the grounds and buildings all material, whether worked or unworked, which Architect shall condemn or fail to approve, and shall promptly make good all such work, and all other work damaged or destroyed in removing or making good said condemned work.

(a) All work will be performed in accordance with all OSHA and other regulatory agencies having jurisdiction's requirements, all local, state and federal regulations and requirements and in accordance with the Morette Company Safety Program. Should there be any conflict between any of said requirements, regulations, or safety program provisions, Subcontractor shall adhere to the higher requirement, regulation, or provision, and inform Contractor in writing of the conflict.

(b) The Subcontractor is responsible to advise Morette Company Superintendent of all hazardous chemicals provided under this subcontract and furnish Morette Company with the project specific Safety Data Sheet (SDS) organized for quick reference prior to commencing any work or bringing any material on site.

(c) The Subcontractor is responsible for all inspection requirements and regulations of all governmental agencies and authorities, including OSHA, with respect to the Subcontractor's work, and shall pay any fines (including those which may be assessed against the Contractor) and other expenses (including, but not limited to, Contractor's attorney's fees) which may be attributable to the Subcontractor's failure to comply with any regulation.

VI - Subcontractor shall at all times supply adequate tools, appliances and equipment, a sufficient number of properly skilled workmen and a sufficient amount of materials and supplies of proper quality to efficiently and promptly prosecute said work and shall promptly pay for all materials purchased and shall pay all workmen each week if required and obtain and furnish Contractor with weekly signed receipts if required from all workmen showing the date of payment, amount paid, number of hours paid for, the days on which said work was performed, the classification of the labor so paid and the rate of wage per hour paid, and shall also supply Contractor weekly with copies of payroll verified by affidavit if requested.

VII - (a) Subcontractor shall turn said work over to Contractor in good condition and free and clear of all claims, encumbrances and lien growing out of the performance of this Subcontract, and Subcontractor will, at his own cost and expense (including attorney's fees), defend all suits to establish such claims, and pay any such claim or lien so established.

(b) Subcontractor shall, as often as required by the Owner or by Contractor, furnish a sworn statement showing all parties who furnish labor or materials to Subcontractor, with their names and addresses and the amount due or to become due each. Like statement may be required from any subcontractors of the Subcontractor.

VIII - The Subcontractor does hereby covenant and agree that in the performance of this Contract, the Subcontractor will employ no equipment, or machinery other than those owned solely by Subcontractor; and specifically, that Subcontractor will employ no leased, rented, or hired equipment, or machinery in the completion of this contract unless Subcontractor shall first have obtained the written consent of the Contractor.

IX - (a) Subcontractor shall, to the fullest extent permitted by law, agree to defend, indemnify and hold harmless the Contractor, Owner, Architect, Engineers, their respective officers, directors, agents and employees, hereinafter called the "Indemnitees" from all claims alleging damage to persons or property occasioned in whole or in part by the Subcontractor, his agents or employees; and Subcontractor shall defend all suits brought against the Contractor on account of any such claims and shall reimburse Contractor any expense including reasonable attorney's fees sustained by Contractor by reason of any such claims.

(b) Subcontractor shall carry public liability insurance and employers liability and worker's compensation insurance and all insurance required by the owner and the law of the place where the said work is to be done, and shall furnish Contractor with satisfactory evidence including, but not limited to, policy endorsements certifying that such insurance has been obtained and paid for and will continue in force for the greater of five (5) years from the date of final completion of the project associated with this subcontract, or the length of time that insurance coverage is required of Contractor in its contract with the Owner.

(c) Insurance shall specifically provide full and complete coverage without any such exclusions as may prevent coverage for any portion of the scope or type of work to be performed as a part of the Subcontractor's scope of work under this contract. The insurance carriers for all insurance coverages shall have an A.M. Best rating no less than A- with a financial size of VII or better. Contractor reserves the right to require Subcontractor to submit certified copies of insurance policies for its review and approval consistent with the requirements of this subcontract.

Minimum Limits of Insurance:
Commercial General Liability:
\$1,000,000.00 Any One Occurrence
\$1,000,000.00 Personal and Advertising Injury
\$2,000,000.00 General Aggregate (per project aggregate)
\$2,000,000.00 Products/Completed Operations Aggregate

Automobile Liability (Any Auto):
\$1,000,000.00 Combined Single Limit

Worker's Compensation & Employers' Liability:
Greater of WC Statutory Limits in state of work or:
\$500,000.00 E.L. Each Accident
\$500,000.00 E.L. Each Employee
\$500,000.00 E.L. Policy Limit

Umbrella Liability*:
\$1,000,000.00 Each Occurrence / Aggregate or \$2,000,000 Each Occurrence / Aggregate and shall be as broad as the underlying general liability insurance.

*Umbrella Liability in the amount of \$1,000,000 is required for all Subcontracts in excess of \$2,000,000 and Umbrella Liability in the amount of \$2,000,000 is required for all subcontracts in excess of \$4,000,000. Contractor reserves the right to require Subcontracts of lesser values than those aforementioned to carry / provide Umbrella Liability at limits as agreed upon by the Contractor and Subcontractor or as may be required by the Contract Documents / Prime Contract. Should the Contractor require Umbrella Liability from the Subcontractor after the parties have agreed to a subcontract price, and should this requirement cause additional costs to the Subcontractor, the subcontract price shall be equitably adjusted to include the reasonable cost of the Umbrella Liability, provided that the Subcontractor has previously notified the Contractor that the cost of the Umbrella Liability was not included in their bid / subcontract price.

Professional Liability*:
\$1,000,000.00 Aggregate

*Professional Liability is required if Subcontractor or their Subcontractors' work involves professional services including, but not limited to architects, engineers, consultants, and testing services.

Pollution Liability*:
\$1,000,000 Each Occurrence and not less than \$1,000,000 Aggregate for bodily injury, personal injury and property damage and Contractor shall be named as Additional Insured by endorsement to the policy.

*Pollution Liability shall be required if Subcontractor or their Subcontractors' work involves work with hazardous materials, including but not limited to asbestos, lead, installation or removal of fuel storage tanks, PCB's or mold. In these cases, the Subcontractor shall carry a "Contractor's Pollution Liability" policy with limits not less than those indicated above.

(d) If the Contractor or the Owner carries Builder's Risk or other insurance which may apply to the subcontract work, or which may otherwise inure to the benefit of the Subcontractor, the Subcontractor shall be responsible for all deductibles and for any inadequacy or absence of coverage, and the Subcontractor shall have no claim or other recourse against the Contractor or against the Owner for any costs or loss attributable to such deductibles or to coverage limitations, exclusions, or unavailability, including any and all costs incurred by Subcontractor in replacing or correcting any damaged work of Subcontractor.

(e) Prior to commencing work and as a precondition for receipt of any payment from Contractor, Subcontractor shall furnish to Contractor proof that insurance is carried in full compliance with the requirements herein via certificates, endorsements and/or copies of the actual policies, and that such coverage shall be in accordance with the terms of the contract between Owner and Contractor should they be more stringent than the terms contained herein. All insurance shall carry a thirty-day non-cancelable clause requiring written notice to Contractor, and name Morette Company as additional insured, which additional insured coverage shall specify it will respond on a primary and non-contributory basis.

(f) The additional insured coverage provided by subcontractor to Contractor shall be as broad as the coverage provided for the named insured under the policy. The additional insured coverage shall also include completed operations coverage for the greater of five (5) years, or the length of time that completed operations coverage is required of Contractor in its contract with the Owner. All insurance policies required of the Subcontractor under this Agreement shall contain a waiver of all rights of subrogation against Contractor. If any insurance policy of Subcontractor is in excess of an SIR (Self Insurance Retention), the amount of such SIR shall be clearly identified on the Certificate of Insurance. Contractor reserves the right to reject the application of such SIR, or require the Subcontractor to provide a bond for the SIR at no additional cost to the Contractor.

(g) Should Subcontractor sublet any of the work to a third party, Subcontractor shall be wholly responsible for the maintenance of all insurance as specified above. Subcontractor further agrees that all workers performing any work for or on behalf of Subcontractor under this subcontract shall be fully covered under applicable Workers Compensation insurance, and under no circumstances will any work be performed by any person, firm, or entity claiming any exemption to the requirement to provide Workers Compensation coverage.

(h) Contractor's failure to insist on delivery of actual copies of the Subcontractor's policies or certificates of insurance that are consistent with the language of this article does not constitute a waiver of Subcontractor's duty to strictly comply.

(i) The Subcontractor shall promptly pay all taxes and contributions required of the Contractor or Subcontractor by the Federal Insurance Contributions Act and the Unemployment Compensation Law or similar State or Federal law in respect to the employees of Subcontractor in the performance of the work herein provided for. **NO FUNDS WILL BE PAID UNTIL CURRENT AND COMPLETE CERTIFICATE OF INSURANCE AND POLICY ENDORSEMENTS ARE FURNISHED BY THIS SUBCONTRACTOR.**

(j) The Subcontractor shall promptly pay any and all sales tax or use tax which may be assessed against materials, equipment or labor used in his

part of the work.

(k) If required by the Contractor prior to or during performance of this Subcontract, the Subcontractor shall furnish performance and payment bonds with a responsible surety acceptable to the Contractor, in a form and with terms acceptable to the Contractor. The Subcontractor's failure to deliver satisfactory bonds to the Contractor within ten (10) days after demand shall be a material breach of this Subcontract. If the Contractor requires a bond after the parties have agreed to a subcontract price, the subcontract price shall be equitably adjusted to include the reasonable cost of the bond, provided that the Subcontractor has previously notified the Contractor that the cost of the bond was not included in the Subcontract price. Any increases in the subcontract price shall automatically increase the respective penal sums of any performance bond and payment bond furnished by the Subcontractor; however, the penal sum shall not decrease in the event of a decrease in subcontract price.

X – Contractor agrees to pay Subcontractor for said work the sum of **AMOUNT DOLLARS AND CENTS CENTS CENTS /100**, subject to additions and deductions as hereinbefore provided, payable as the work progresses, based upon estimates of the Architect and approval by Owner less 10% retainage. Contractor may, at its option, make payment to Subcontractor for work or materials prior to receipt of payment from Owner. Contractor may, at its option, withhold payment of any estimate until Subcontractor has furnished Contractor with suitable evidence that Subcontractor has paid in full for all labor, materials and supplies used in the work through the date of the estimate, has shown proof of proper insurance as required by this agreement, and has paid all sales or use taxes, all withholding taxes, both State and Federal, and all payroll taxes and costs of all kinds. An express condition precedent to the Subcontractor's right to payment under the terms of this Subcontract is actual receipt of payment by the Contractor from the Owner for that portion of the work performed by the Subcontractor. This provision is expressly intended to shift the risk of an Owner's default in payment from the Contractor to the Subcontractor. This clause is not intended to impair the Subcontractor's lien or bond rights on this project and is not intended to excuse payment to the Subcontractor in the event the Owner withholds funds to the Contractor for reasons other than allegations of defective work or delays caused by the Subcontractor.

XI - (a) Should Subcontractor at any time breach this agreement or fail to prosecute said work with promptness, diligence and efficiency, or fail to perform any of the requirements hereof, Contractor may without notice (or, if notice be required by law, then after forty-eight hours written notice by registered mail addressed to Subcontractor at previously referenced address, or by posting in some conspicuous place on the job) proceed as follows:

1. Provide such materials, supplies, equipment and labor as may be necessary to complete said work, pay for the same and deduct the amount so paid from any money then or thereafter due Subcontractor; or
2. Terminate this subcontract, enter upon the premises and take possession, for use in completing the work of all the materials, supplies, tools, equipment and appliances of the Subcontractor, thereon and complete the work, or have same completed by others, and be liable to Subcontractor for no further payment under the agreement until final payment is due and then only if and to the extent that the unpaid balance of the amount to be paid under this Subcontract exceeds the expense of the Contractor in finishing the work; or
3. By registered mail addressed to surety, require the surety to enter upon the premises and take possession, for use in completing the work, of all the materials, supplies, tools, equipment, and appliances of the Subcontractor thereon, and to complete the work, or to have the same completed by others, all in accordance with the plans and specifications, and be liable to the Subcontractor for no further payment under the agreement until final payment is due, and then only if and to the extent that the unpaid balance of the amount to be paid under this Subcontract exceeds any damages for delay, or other setoff, counter claim, or recoupment, in favor of the surety upon completion.

(b) If the amount expended by the Contractor under 1 above or the cost of completing the work under 2 or 3 above exceeds the unpaid balance of Subcontract price herein stated, Subcontractor or his sureties shall pay Contractor such excess within a thirty-day period after submission to Subcontractor of invoice.

(c) Should Subcontractor at any time fail to pay when due for all labor, materials, or supplies used by Subcontractor in said work when due, Contractor may pay for same and charge to Subcontractor, without Subcontractor's consent. With consent of Subcontractor, Contractor may pay any claims not overdue for labor, materials and supplies used in the work whether these claims are overdue or not.

(d) Should Subcontractor default in any of the provisions of this Subcontract and should Contractor employ an attorney to enforce any provision hereof or to collect damages for breach of the Subcontract or to recover on the bond mentioned in XI above, Subcontractor agrees that the Contractor shall be entitled to recover reasonable attorneys' fees and costs (including those incurred in any related appeals), including attorneys' fees and costs incurred in litigating entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of the recoverable attorneys' fees and costs. The reasonable costs to which the Contractor is entitled shall also include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs, including but not limited to, costs of investigation, copying costs, electronic discovery costs, telephone charges, mailing and delivery charges, information technology support charges, consultant and expert witness fees, travel expenses, court reporter fees, and mediator fees, regardless of whether such costs are otherwise taxable.

XII - The Subcontractor covenants and agrees that if for any reason this Contract is not completed as contemplated herein and any dispute shall arise regarding the entitlement or rights of the Subcontractor, the Subcontractor's sole recourse shall be an action to enforce the several terms and provisions of this Contract, and no action shall lie in favor of the Subcontractor in the nature of quantum meruit, quantum valebant or quasi-contract. Any dispute arising out of or relating to this subcontract between Contractor and Subcontractor, shall be decided by either litigation or arbitration, consistent with the dispute resolution procedure specified in Contractor's contract with the Owner. Should any dispute be decided by litigation solely between Contractor and Subcontractor, the parties agree that Escambia County, Florida is the sole proper venue for such litigation, and Subcontractor agrees to the jurisdiction of the appropriate state or federal court located in said County. Any dispute to be decided by binding arbitration solely between the parties shall be pursuant to the Florida Arbitration Code. The parties shall agree to one (1) arbitrator, or, if the parties are unable to agree, a single arbitrator shall be appointed by a court of competent jurisdiction. The situs of any arbitration solely between Contractor and Subcontractor shall be in Pensacola, Escambia County, Florida. In addition, should any dispute between Contractor and Subcontractor under this Agreement be related to any dispute between Contractor and any third party, including the Owner, either party to this Agreement, at its sole discretion, may consolidate any litigation or arbitration conducted under this Agreement with any other litigation or arbitration to which it is a party.

XIII - (a) Subcontractor shall not sublet, assign or transfer this Subcontract, or any part thereof, without the written consent of the Contractor. Should Contractor consent to such assignment or subletting, Subcontractor shall remain legally obligated to Contractor for the full and complete performance of this subcontract, and shall provide to Contractor written confirmation that all insurance required under this Subcontract has been provided to Contractor by Subcontractor's assignee or subcontractor.

(b) This Subcontract contains the entire agreement between the parties and may be modified or amended only in writing.

(c) Any notice provided for herein to the Contractor shall be given to an authorized representative of Contractor via facsimile and/or hand delivery, and in duplicate to Michael J. Morette, by United States Mail, return receipt requested, at PO Box 13452, Pensacola, Florida 32591.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

By: _____
**Michael J. Morette, President
MORETTE COMPANY, INC.**

By _____
**Subcontractor's Legal Name
SUBCONTRACTOR**

Print Name: _____

Title: _____

Date: _____

**This Company is an EOE/M/F/H/V and complies with an Affirmative Action Program.
FL Lic #CGC1517904 AL Lic #19363**