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### **SUBCONTRACTOR AGREEMENT**

THIS SUBCONTRACTOR AGREEMENT is made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Regal Renovations, LLC (“Regal Renovations”) having an address of 1461 London Bridge Road, Suite 219, Virginia Beach, Virginia 23453 (“Contractor”) and \_\_\_\_\_ having an address of \_\_\_\_\_ (“Subcontractor”) for any and all work performed within the entirety of calendar year 20\_\_\_\_.

IN CONSIDERATION OF the mutual promises contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

#### 1. Scope of Agreement:

(a) Contractor hereby engages Subcontractor to perform the Work set forth in the Work Order Agreement, attached hereto as **Exhibit A** and made part hereof (the “Work”), pursuant to the terms of this Agreement, and Subcontractor accepts such engagement. The Work will be performed at the site set forth in the Work Order Agreement (the “Project Site”). Each Work Order Agreement shall be incorporated into this Agreement. In the event that the Work Order Agreement conflicts with this Agreement, this Agreement shall control.

(b) The Subcontractor, in all matters relating to this Subcontract, shall be acting as an independent contractor. Neither the Subcontractor nor any of the persons furnishing materials or performing work or services which are required by this Subcontract are employees of the Contractor within the meaning of or the applications of any Federal or State Unemployment Insurance Law or other Social Security or any Workmen’s Compensation, industrial accident law or other industrial or labor law.

#### 2. Performance of Work:

(a) Subcontractor is responsible for reviewing all specifications, drawings, and other elements of the Work and for assuring itself of their suitability for the Work. Subcontractor shall advise Contractor immediately of any discrepancies, omissions, or ambiguities in the Work, including, but not limited to, any discrepancies, omissions, or ambiguities in any specification drawings, notes, or instruction that have been provided by Contractor. Subcontractor shall withhold performance of any aspect of the effort required hereunder that relates to noted discrepancies, omissions, or ambiguities and shall commence work on the said aspect only upon the direction of Contractor. Failure to timely notify Contractor of any ambiguity, discrepancy, or omission shall constitute a waiver of any claim Subcontractor may otherwise have had arising out of such ambiguity, omission, or discrepancy.

(b) The Work shall be performed to the satisfaction of Contractor. Contractor shall have the right to inspect the Work at any time during the term of this Agreement.

(c) Acceptance of the Work after completion shall be solely by written approval of Contractor in the method described in subsection (d) below. No other action shall constitute acceptance, including, without limitation, such actions as incorporation of the Work into other products or the beneficial use of same.

(d) When Subcontractor deems the Work completed, Subcontractor shall give Contractor notice thereof in writing. Within five days after receipt of such notice, Contractor shall inspect the Work and determine if it has been completed to Contractor's satisfaction; if so, Contractor will advise Subcontractor in writing of its final acceptance thereof; if not, Contractor will notify Subcontractor of the defects and Subcontractor will correct such defects at Subcontractor's expense. The procedure stated herein shall be repeated until the Work has been satisfactorily completed and accepted. Any defect in Work not discovered by Contractor prior to acceptance, but which was present at the time of delivery shall be deemed a "latent" defect, without regard to prior acceptance or use. Within the ten days after receipt of written notice of any latent or other defects or failures to conform that appear or are discovered either prior to final acceptance or within the Warranty Period (hereinafter defined), Subcontractor shall, at no cost to Contractor, commence and pursue diligently to completion the satisfactory replacement of any material and the correction of any workmanship found to be defective or otherwise not in conformity with the Contract requirements and remedy any damage to other parts of the Work and the project of which the Work is a part resulting therefrom. If Subcontractor fails to make such replacement or correction, Contractor may do so after three days written notice to Subcontractor, and charge to or otherwise recover from Subcontractor the cost thereof.

3. Work Schedule: The Work shall be completed in accordance with the Work Order Agreement attached hereto as Exhibit A and made a part hereof. Time is of the essence for this Agreement. The Subcontractor will take any and all action required to ensure completion of the Work in accordance with the Work Order Agreement.

4. Notices: All notices shall be sent by either party to the other in all matters dealing with this Agreement by certified mail, return receipt requested, to the addresses listed above or to any other address provided by written notice to the other party. All notices shall be deemed received on the third business day after the date of mailing.

5. Payment:

(a) Payment shall be made to Subcontractor in the amount specified in the Work Order Agreement within thirty (30) days from notice and acceptance in accordance with Paragraph 2(d). Payment will be made less a ten percent retainage which shall be released within ten days after final acceptance of the completed project by Owner and final payment for the totality of the completed project as a whole is made to Contractor by Owner.

(b) Subcontractor agrees to furnish, if and when required by Contractor, payroll affidavits, receipts, vouchers, and releases of claims of labor, materialmen, and subcontractors performing work or furnishing major items of material under this Agreement, and it is agreed that no payment shall be made, except at Contractor's option, until Subcontractor furnishes lien releases.

(c) Payment otherwise due Subcontractor may be withheld by the Contractor on account of the following events of default:

(1) Unsatisfactory progress of the Work or defective materials or workmanship which in the judgment of the Contractor are sufficiently serious to justify such withholding.

(2) Failure of the Subcontractor to make payments promptly to its subcontractors or to promptly make payments for such other labor or materials as are purchased by the Subcontractor.

(3) The filing for bankruptcy, reorganization or assignment for the benefit of creditors or insolvency of the Subcontractor.

(4) Failure of the Subcontractor to perform any other of its obligations hereunder.

In the event any payments otherwise due are withheld as a result of any of the foregoing, the Contractor will notify the Subcontractor in writing of the event of default causing said

withholding. The Contractor will pay the Subcontractor the amount so withheld upon cure of said default provided that Subcontractor begins curing the default within fourteen days after receipt of said notice. If the cure of said default is not commenced by the Subcontractor within three (3) days after receipt of said notice, the Contractor may take whatever action it may deem necessary to cure the default and deduct the cost thereof from any unpaid balance due the Subcontractor and, in the event the cost thereof exceeds such balance, the Subcontractor and its sureties shall be liable for such excess.

6. Insurance: The Subcontractor agrees to provide documentation of and maintain for a period of 30 days beyond completion of the project a general liability policy, worker's compensation coverage and such other insurance as may be necessary, equivalent to industry standards that will protect Subcontractor from any and all claims arising out of its operation under this Agreement, whether the operations are by the Subcontractor, its consultants or subcontractors or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

7. Warranty Period: Subcontractor warrants for a period of two years from the date of final acceptance of the Work by the Contractor (or in the case of replacements, correction, or cure of defects made pursuant to this Agreement, after final acceptance thereof by Contractor) (the "Warranty Period"), that all material furnished and all work performed under this contract, including the materials supplied by and the workmanship of any of its subcontractors, will be free from defects and will conform to the requirements of the Contract. Neither final acceptance, payment, nor any provisions in the drawings or specifications shall relieve Subcontractor of its responsibilities under this warranty. Subcontractor shall extend to Contractor any provisions of warranties of subcontractors or materialmen more favorable than this warranty and shall provide Contractor copies of all such warranties.

8. Change Orders:

(a) Contractor reserves the right to effect changes at any time to the drawings, designs, specifications or Work ("Change Order"). Any Change Order shall become effective only when a written document describing and authorizing such change is delivered to Subcontractor by Contractor. Subcontractor shall promptly perform the Work as changed without regard to any adjustment requested pursuant to subparagraph (b) below.

(b) If a Change Order affects the cost of, or time required for, performance of the Work, Subcontractor shall immediately request by written notice to the Contractor, an adjustment to the price set forth in a Work Order Agreement. Within three days after receipt of the Change Order notice, Subcontractor shall submit written, detailed support for any such requested adjustment. Subcontractor hereby waives all claims for all costs it incurs more than three days prior to filing its request for adjustment, and waives all requests for extensions of time if Subcontractor fails to timely submit either the request for adjustment or the written support therefore. Any change order executed by Contractor and Subcontractor shall conclusively and finally determine all of Subcontractor's costs in relation to the change.

(c) All terms and conditions of this Subcontract shall remain in full force and effect. Any Change Order shall be incorporated into this Agreement. If the event that the Change Order conflicts with this Agreement, this Agreement shall control.

(d) Work authorized by Contractor to be performed on the basis of time and materials shall not be performed either in whole or in part on a premium time basis (including overtime, Saturdays, Sunday, and Holidays) without the prior written consent of Contractor. If Subcontractor performs work on a premium time basis without obtaining said consent, then all costs relating to the premium time portion shall be borne solely by the Subcontractor without recourse to the Contractor. Should Contractor elect to present a corresponding claim to Owner, Subcontractor shall fully assist Contractor in the presentation of such claim.

9. Termination:

(a) Contractor reserves the right to terminate this Agreement or any part thereof, by written notice to Subcontractor, as a result of a termination of the contract with the owner for any reason whatsoever. In the event of such termination, Subcontractor shall immediately stop all work hereunder and shall immediately cause any of its suppliers or subcontractors to cease their related work. Upon any such termination, Subcontractor shall be paid all retention fees plus a reasonable termination charge reflecting the percentage of any work performed pursuant to the Work Order Agreement prior to the notice of termination. Subcontractor shall not be paid for any work done after receipt of the notice of termination nor for any costs incurred by Subcontractor's suppliers or subcontractors which Subcontractor could have reasonably avoided nor shall Subcontractor be paid for any lost profits.

(b) Contractor reserves the right to terminate, by written notice to Subcontractor, the Agreement or any part of such Agreement for cause in the event of any default by Subcontractor or failure by Subcontractor to comply with any of the terms and conditions herein. Delays in performance and failure to provide Contractor, upon request, with reasonable assurances of future performance shall, without limitation, allow Contractor to so terminate this order. In the event of such termination, Contractor shall not be liable to Subcontractor for any amount and Subcontractor shall be liable to Contractor for any and all damages sustained by reason of the default which gave rise to the termination.

10. Force Majeure: Neither party shall be liable for nonperformance or delay in performance due to acts of God, acts or demands of any government or agency thereof (except changes directed to Contractor by a contracting officer acting within the scope of his authority under any government contract), strikes, fires, floods, accidents, or other unforeseeable causes beyond its control and not due to its fault or negligence. Each party shall notify the other of any such occurrence within five days of the occurrence.

11. Covenants of Subcontractor:

(a) Without prior written consent of Contractor, Subcontractor shall not in any manner advertise or publish the fact that it has contracted to perform the Work for Contractor.

(b) Subcontractor shall not assign this order nor delegate any duties hereunder without Contractor's prior written consent, and any such attempted assignment shall be void.

(c) Subcontractor will comply with all Federal, State, Municipal and local laws, rules, and regulations that may be applicable to this Subcontract and, at the request of Contractor, Subcontractor will furnish documents to the effect that it has complied with said laws and regulations. Subcontractor represents that it has complied and will continue to comply during the performance of this Subcontract with the provisions of the "Fair Labor Standards Act" of 1938, as amended, and the "Occupational and Safety and Health Act" of 1970, as amended, and with the regulations and standards issued pursuant thereto. If Subcontractor performs any Work without notice to Contractor when Subcontractor knows or has reason to know that the Work is contrary to such laws or regulations, Subcontractor shall bear all costs arising therefrom. Subcontractor shall pay all taxes when due, that are levied or imposed upon Subcontractor, Subcontractor's business or the performance of the Work hereunder.

(d) Subcontractor shall confine all its operations, including storage, vehicle parking and the movement of materials, equipment, and workmen to the areas specified, or other areas as approved by Contractor. Subcontractor shall store all materials and equipment neatly and safely and shall keep the Work and storage areas clear of debris at all times.

(e) Contractor may undertake or award other contracts for additional work to be performed in connection with or in or about the Work. Subcontractor shall cooperate with Contractor and its other subcontractors and promptly and properly perform the Work without undue interference or delay. Subcontractor shall afford Contractor and its other subcontractors reasonable opportunity for the introduction and storage of their work, including storage space, access, use of hoisting equipment, and Subcontractor's construction utilities.

(f) Subcontractor shall adequately protect from theft, damage or deterioration all Work performed and all materials, equipment, and other items incorporated or to be incorporated therein. All requests by Contractor to enclose or otherwise protect such property shall be complied with promptly at no cost to Contractor. All materials delivered to the Project Site for the Work and paid for by Contractor shall be regarded as the property of Contractor or of Owner (except as to risk of loss which shall be on Subcontractor) and such materials shall not be removed without Contractor's prior written consent. Use of storage facilities furnished to Subcontractor by Contractor or Owner shall not relieve Subcontractor of such risk of loss.

(g) If Subcontractor requires the temporary shut-off of any utility, it shall notify Contractor forty-eight hours in advance of the time it requires the shut-off. Subcontractor shall then perform the work requiring the shut-off on such days and at such hours as Contractor may direct. Regardless of the days or hours fixed by Contractor, no extra compensation will be paid for such work.

(h) Unless otherwise specified, all existing structures and other improvements altered or removed by Subcontractor in the execution of the Work shall be restored to their previous condition by Subcontractor after completion of the Work at no cost to Contractor. Quality of the restoration shall be as good as existing and meet the approval of Contractor.

(i) At all times, Subcontractor shall use suitable safety precautions as may be required by Owner or Contractor in order to prevent injury to workmen and all persons who may be on or about the Site and shall comply with all safety ordinances, laws, rules and regulations. Such safety precautions shall include, but not be limited to, the use of proper materials, tools, mechanical and automotive equipment, and the erection and maintenance of barricades, signs, flags, lights, and other safeguards.

(j) Unless otherwise provided in this Subcontract, all material excavated, demolished, or removed from existing improvements by Subcontractor and not required for incorporation in the Work (such as waste, rubble, and salvageable materials) shall be stored, destroyed, removed from the Site or otherwise disposed of by Subcontractor as directed by Contractor.

(k) Overhead and side clearances shall be observed by the Subcontractor prior to and during the movement and operation of all large equipment within the building.

(l) The Subcontractor will take proper precautions and care in the control of dust during site installation.

(m) Subcontractor represents and warrants that Contractor that it and its employees have the experience and skill to perform the services required to be performed by it hereunder.

12. Set-Off: Contractor shall be entitled to set-off at any time any sums owed by Subcontractor to Contractor against sums payable by Contractor in connection with this order.

### 13. Indemnity:

(a) Subcontractor agrees to defend, indemnify and hold harmless Contractor, Owner, and their agents and employees, from and against any claim, cost, expense, or liability (including attorney's fees), attributable to bodily injury, sickness, disease, or death, or damage to or destruction of property (including the loss of use thereof), caused by, arising out of, resulting from or occurring in connection with the performance of the Work by Subcontractor, its subcontractors, or their agents or employees, whether or not caused in part by the active or passive negligence or other fault of a party indemnified hereunder. Subcontractor's obligation hereunder shall not be limited by the provisions of any workmen's compensation or similar act.

(b) Should any person, firm, corporation, or governmental agency assert a claim or institute a suit, or action or proceeding against Contractor involving the manner, sufficiency or the performance of the Work by the Subcontractor, Subcontractor shall, upon the request of Contractor, promptly assume the defense of such claim, suit, action or proceeding, at

Subcontractor's expense, and Subcontractor shall indemnify and hold harmless Contractor and its agents and employees, from and against any liability, loss, damage, or expense arising out of or relating to such claim, suit, action, or proceeding.

14. Liens and Claims:

(a) Subcontractor shall indemnify and save harmless Owner and Contractor from all liens, including, but not limited to mechanics' liens upon the real property upon which the Work is located arising out of the services and materials furnished by Subcontractor, its subcontractors and others in connection with the Work, and shall keep said property free and clear of all liens, claims and encumbrances arising from the performance of this Agreement by Subcontractor, its subcontractors and others.

(b) Subcontractor's final payment shall not be paid until the Subcontractor shall deliver to the Contractor complete releases of all claims arising out of this Contract for which liens might be filed or receipts in full in lieu thereof, and, in either case, an affidavit that the waives, releases, and receipts include all labor and material for which a lien could be filed; but the Subcontractor may, if any subcontractor or vendor refuses to furnish a waiver, release, or receipt in full, furnish a bond satisfactory to the Contractor to indemnify Contractor against any such lien.

(c) If any lien or any claim upon which a lien could be filed remains unsatisfied after all payments are made, the Subcontractor shall refund to the Contractor all monies that the latter may be compelled to pay in discharging such a lien, including all costs and reasonable attorney's fees, provided that the Subcontractor shall have been given notice of such lien and the opportunity to defend enforcement thereof.

15. Miscellaneous:

(a) This writing constitutes the entire agreement between the parties and there are no understandings or representations not contained herein.

(b) Unless otherwise permitted hereunder, neither this writing nor any Exhibits attached hereto or any provisions hereof may be amended, modified, waived, discharged, terminated or rescinded orally or by the course of performance, course of dealing or usage of trade but only by (1) a writing executed by the party against which enforcement of the amendment, modification, waiver, discharge, termination or rescission is sought; or (2) by written notice to the party against which enforcement of the amendment, modification, waiver, discharge, termination, rescission is sought which notice is not objected to by that party within three days of receipt of such notice. Nothing contained in this paragraph shall impose any condition on or limit in any way Contractor's right to terminate this Agreement under Paragraph 9 hereof.

(c) This writing shall be binding upon and inure to the benefit of the successors, permitted assigns, heirs and personal representatives of the parties hereto.

(d) The headings herein are for convenience of reference only and do not define or limit the provisions hereof.

(e) This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia and the laws of the United States applicable to transactions in the Commonwealth of Virginia. The parties agree that all actions arising under or related to this Agreement shall be brought in the Circuit or General District Courts of the City of Virginia Beach, Virginia; the parties agree that such forum is mutually convenient and bears a reasonable relationship to this Agreement. **The parties to this Agreement acknowledge the expense and uncertainty associated with a jury trial, and hereby waive their rights to a jury trial and agree that any litigation arising or related to this Agreement shall be tried without a jury.**

(f) If an ambiguity or question of intent arises with respect to any provision of this Agreement, the Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring either party.

(g) Subcontractor agrees specifically to NOT, under any circumstance, commence or participate in any form of defamation, libel, slander or otherwise negatively represent in any way, form or fashion, Contractor or Owner whereas Contractor or Owner may be entitled to punitive damages. Contractor reserves the right to any and all attorney's fees to appropriately and legally represent Contractor should any such claim be made or damages awarded.

(h) The provisions of this writing shall be severable so that the invalidity, unenforceability or waiver of any of them shall not affect the remaining provisions herein.

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

CONTRACTOR:  
REGAL RENOVATIONS LLC

SUBCONTRACTOR:  
\_\_\_\_\_

By: Glen Sweitzer, JR  
Title: President  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_